

FOCUS | TOP 100

TOP 100 CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Chain Headquarters	Concept	Parent Company	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
							1988	1987	1986
51	53	Sonic Drive-In	Oklahoma City, Okla.	Hamburger	Sonic Industries Inc.	Aug.	350.0	301.5	290.6
52	52	Ramada Inns	Phoenix, Ariz.	Hotel	Ramada Inc.	Jan.	343.0	302.0	360.6
53	55	Disneyland/Disneyworld	Burbank, Calif.	Theme Park	Walt Disney Co.	Sept.	334.0	290.0	265.8
54	51	Pizza Inn	Dallas, Texas	Pizza	Pantera's Corp.	June	330.0	310.0	278.7
55	54	Int'l House of Pancakes	North Hollywood, Calif.	Fam. Rest.	IHOP Corp.	Dec.	328.7	297.5	265.6
56	61	Whataburger	San Antonio, Texas	Hamburger	Whataburger Inc.	Sept.	310.0	260.0	230.0
57	63	Morrison Custom Management	Mobile, Ala.	Contract	Morrison Inc.	May	305.0	253.0	244.0
58	58	Radisson Hotels	Minneapolis, Minn.	Hotel	Carlson Cos.	Dec.	301.4	277.4	160.0
59	56	White Castle	Columbus, Ohio	Hamburger	White Castle System, Inc.	Dec.	300.0	282.6	268.5
60	57	Morrison's Cafeterias	Mobile, Ala.	Cafeteria	Morrison Inc.	May	295.0	277.9	262.3
61	64	Round Table Pizza	San Francisco, Calif.	Pizza	Round Table Franchise Corp.	June	280.7	250.0	228.0
62	62	Furr's Cafeterias	Lubbock, Texas	Cafeteria	Cavalcade Foods, Inc.	Dec.	270.0	256.0	290.0
63	65	Howard Johnson	South Weymouth, Mass.	Fam. Rest.	Franchise Assoc., Inc.	April	265.0	250.0	292.5
64	69	Ground Round	South Weymouth, Mass.	Dinner House	Hanson Trust Plc.	Oct.	260.0	227.7	212.5
65	72	Bob Evans Farms	Columbus, Ohio	Fam. Rest.	Bob Evans Farms Inc.	April	259.2	221.3	176.3
66	68	Luby's Cafeteria	San Antonio, Texas	Cafeteria	Luby's Cafeterias Inc.	Aug.	254.0	232.8	215.1
67	79	Chili's Grill & Bar	Dallas, Texas	Dinner House	Chili's Inc.	June	253.0	193.0	123.0
68	59	Godfather's Pizza	Omaha, Neb.	Pizza	Pillsbury Co. ²	May	245.0	275.0	260.0
69	76	Ogden Allied Services	New York, N.Y.	Contract	Ogden Corp.	Dec.	241.0	210.0	187.0
70	67	ShowBiz/Chuck E. Cheese	Irving, Texas	Pizza	Integra	Dec.	240.0	236.0	240.0
71	81	Ryan's	Greer, S.C.	Steak House	Ryan's Family Steak House	Dec.	240.0	185.0	125.0
72	75	Piccadilly Cafeterias	Baton Rouge, La.	Cafeteria	Piccadilly Cafeterias, Inc.	June	235.0	217.0	206.0
73	71	Quincy's	Spartanburg, S.C.	Steak House	TW Services Inc.	Dec.	235.0	221.5	207.4
74	70	Woolworth	New York, N.Y.	In-Store	F.W. Woolworth Co.	Jan.	234.0	225.0	216.0
75	74	Village Inn	Denver, Colo.	Fam. Rest.	Vicorp Inc.	Oct.	232.0	218.0	206.0
76	77	Marie Callender's Pie Shops	Orange, Calif.	Fam. Rest.	Ramada Inc.	Dec.	230.5	206.4	204.0
77	73	Carvel	Yonkers, N.Y.	Ice Cream	Carvel Corp.	Dec.	228.7	220.0	208.0
78	78	Chick-fil-A	Atlanta, Ga.	Chicken	Chick-fil-A Inc.	Dec.	226.0	202.7	182.8
79	66	Steak and Ale	Dallas, Texas	Dinner House	Pillsbury Co.	May	225.0	250.0	260.0
80	93	Seller Corp.	Waltham, Mass.	Contract	Sodexo	Aug.	225.0	165.0	160.0
81	80	Waffle House	Norcross, Ga.	Fam. Rest.	Waffle House Inc.	June	210.0	189.4	174.9
82	83	Grandy's	Lewisville, Texas	Chicken	American Restaurant Group	Dec.	200.0	182.5	176.5
83	88	Quality Inns	Silver Spring, Md.	Hotel	Manor Care Inc.	May	194.0	177.0	150.0
84	89	Sportservice	Buffalo, N.Y.	Contract	Delaware North Cos.	Dec.	193.0	174.0	149.7
85	84	Daka	Wakefield, Mass.	Contract	Daka Inc. ³	June	191.0	182.0	148.0
86	96	Bakers Square	Chicago, Ill.	Fam. Rest.	Vicorp Inc.	Oct.	190.0	156.0	130.3
87	60	Stuart Anderson's	Los Altos, Calif.	Dinner House	American Restaurant Group	Dec.	190.0	265.0	261.0
88	82	Krystal	Chattanooga, Tenn.	Hamburger	Krystal Co.	Dec.	186.0	184.0	174.0
89	90	Country Kitchen	Minneapolis, Minn.	Fam. Rest.	Carlson Cos.	Dec.	184.0	172.0	161.0
90	92	Circle K	Phoenix, Ariz.	C. Store	Circle K Corp.	April	183.2	169.0	134.6
91	86	Wyatt Cafeterias	Dallas, Texas	Cafeteria	Wyatt Cafeterias Inc.	Dec.	181.0	178.5	184.5
92	85	Bojangles' Chicken 'n Biscuits	Charlotte, N.C.	Chicken	Horn & Hardart Co. ⁴	Dec.	180.0	180.0	195.0
93	95	Concession Air	Grand Prairie, Texas	Contract	Delaware North Cos.	Dec.	180.0	160.0	37.8
94	91	Western Steer	Claremont, N.C.	Steak House	Western Steer-Mom 'n' Pop's	Feb.	179.6	170.6	166.2
95	100	Fuddruckers	San Antonio, Texas	Hamburger	Fuddruckers Inc. ⁵	Dec.	178.0	142.5	110.5
96	94	Coco's	Irvine, Calif.	Fam. Rest.	Restaurant Enterprise Group	Dec.	168.0	162.0	150.7
97	97	A&W	Dearborn, Mich.	Hamburger	A&W Restaurants Inc.	Dec.	162.0	154.0	156.0
98	98	Ogden Allied Aviation Services	New York, N.Y.	Contract	Ogden Corp.	Dec.	160.0	148.0	127.5
99	87	Po' Folks	Nashville, Tenn.	Fam. Rest.	Po' Folks Inc.	Sept.	160.0	178.0	197.2
100	99	Houlihan's	Kansas City, Mo.	Dinner House	Restaurant Enterprises Group	Dec.	153.0	146.0	125.0
TOTALS:							\$82,400.6	\$75,837.7	\$67,439.0

Source: NRN Research

Footnotes

¹Encompasses Dobbs International, the inflight feeder; Dobbs Houses, which operates airport concessions; and Carson International, which operates concessions within Chicago's O'Hare Airport.

²Pillsbury is negotiating a sale of Godfather's Pizza to a group led by chain president Herman Cain and executive vice president Ron Gartlan.

³Daka Inc. has agreed to merge with Fuddruckers Inc. As a result, the parent company of the Daka contract feeding business could change.

⁴Horn & Hardart has agreed to sell Bojangles' to Greenville, S.C.-based Carabo Inc. for \$20 million.

⁵Fuddruckers Inc. has agreed to merge with Daka Inc. As a result, the parent company of the Fuddruckers hamburger chain could change.

FOCUS TOP 100

TOP 100 COMPANIES RANKED BY FISCAL 1988 REVENUES

Rank 1988	Rank 1987	Company	Fiscal Year Ends	Concept(s)	SALES (by Fiscal Year in Millions)		
					Current	Last Full	Previous
1	1	McDonald's Corp.	Dec.	McDonald's	\$ 5,470.0	\$ 4,894.0	\$ 4,240.0
2	2	Marriott Corp. ¹	Dec.	Roy Rogers, Big Boy, contract feeding, Marriott Hotels	5,280.0	4,724.3	3,773.2
3	3	Pepsico Inc.	Dec.	Kentucky Fried Chicken, Taco Bell, Pizza Hut	4,800.0	4,200.0	2,600.0
4	5	TW Services Inc.	Dec.	Denny's, Hardee's, El Pollo Loco, Quincy's	3,517.0	2,492.2	1,918.0
5	4	Pillsbury Co. ²	May	Burger King, Steak & Ale, Bennigans, Godfathers	2,700.0	2,764.0	2,663.0
6	6	General Mills Inc.	May	Red Lobster, Olive Garden, York Steakhouses	1,750.0	1,500.0	1,250.0
7	7	Imasco Ltd.	Dec.	Hardee's, Grisanti's	1,600.0	1,360.0	1,180.0
8	9	ARA Services Inc.	Sept.	ARA Services	1,251.7	1,145.0	1,013.7
9	8	Restaurant Enterprises Group Inc.	Dec.	El Torito, Carrow's, Coco's, Houlihan's	1,220.0	1,240.0	1,115.0
10	10	Wendy's International	Jan.	Wendy's	1,075.0	1,058.6	1,139.9
11	11	Domino's Pizza Inc.	Dec.	Domino's Pizza, Pizza Express	990.0	883.8	721.6
12	17	Foodmaker Inc. ³	Sept.	Jack in the Box, Chi-Chi's	960.0	598.3	556.5
13	12	Carlson Cos.	Dec.	T.G.I. Fridays, Dalt's, Radisson Hotels, Country Kitchen	896.0	819.2	741.5
14	29	Greyhound Corp.	Dec.	Contract, Burger King	780.0	370.0	330.0
15	16	Morrison Inc.	May	Morrison's Cafeterias, contract feeding, Ruby Tuesdays, L&M Seafood Grill, Silver Spoon Cafe, Sadie's Cafe	760.0	602.0	524.0
16	13	Servam Corp.	July	Service America	718.6	690.9	677.4
17	14	Shoney's Inc.	Oct.	Shoney's, Lee's Famous Recipe, Captain D's	678.0	616.0	558.0
18	20	Collins Foods International Inc.	April	Sizzler, Kentucky Fried Chicken	615.0	566.5	522.0
19	19	Jerrico Inc.	June	Long John Silver's, Jerry's Restaurants, Florenz	614.2	567.1	531.7
20	18	Hershey Corp.	Dec.	Friendly	605.0	572.4	536.0
21	22	American Restaurant Group Inc	Dec.	Stuart Anderson's, Grandy's, Velvet Turtle, Spectrum, Spoons	550.0	500.0	450.0
22	21	Metromedia Inc. ⁴	Feb.	Ponderosa Steakhouses	515.3	534.8	490.3
23	23	Aoki Corp.	April	Westin Hotels	512.0	472.1	460.2
24	31	Doctors Associates	Dec.	Subway Sandwiches	500.0	360.0	50.4
25	24	Western Sizzlin'	Oct.	Western Sizzlin' Steakhouse	487.5	466.2	442.6
26	25	Investors Management Corp.	Dec.	Golden Corral, Oh! Brian's, Church's Chicken	461.0	446.1	382.2
27	26	Hyatt Hotels Corp.	Jan.	Hyatt Hotels	443.0	408.1	349.6
28	28	Nestle SA	Dec.	Stouffer Restaurants, Cheese Cellar, Rusty Scupper, J.B. Winberry, Stouffer Hotels	440.0	394.0	585.0
29	30	Carl Karcher Enterprises	Jan.	Carl's Jr.	435.0	369.5	317.0
30	36	Elias Bros. Restaurants	Dec.	Big Boy, Top Hat Contracting	405.0	325.0	310.0
31	32	Ogden Corp.	Dec.	Ogden Allied Service, Ogden Allied Aviation	401.0	358.5	315.0
32	27	Church's Fried Chicken Inc.	Dec.	Church's Chicken	386.0	400.5	480.5
33	33	Delaware North Cos. Inc.	Dec.	Concession Air, Sportservice	373.0	334.0	270.0
34	34	Onex Corp.	Dec.	Sky Chefs, Southwest Dining Services	357.7	333.4	416.4
35	35	Manor Care Inc.	May	Quality Inns, nursing homes	348.1	326.1	313.6
36	38	Walt Disney Co.	Sept.	Amusement concessions	334.0	290.0	265.8
37	37	Vicorp Inc.	Oct.	Bakers Square, Village Inn	330.0	312.0	421.5
38	42	Whataburger Inc.	Sept.	Whataburger	310.0	260.0	230.0
39	39	White Castle System Inc.	Dec.	White Castle	300.0	282.6	268.5
40	52	Sodexo	Aug.	Seller Corp, Food Dimensions Inc., Boatel	300.0	204.2	167.6
41	40	Boddie-Noell Enterprises	Sept.	Hardee's	289.0	268.0	246.0
42	15	Southland Corp.		7-Eleven	285.6	604.5	558.4
43	43	Cavalcade Foods Inc.	Dec.	Furr's Cafeteria, Bishop Buffet	270.0	256.0	
44	41	Holiday Corp.	Dec.	Holiday Inn, Embassy Suites, Harrah's	262.1	260.4	268.5
45	45	Hanson Trust Plc.	Oct.	Ground Round	260.0	227.7	182.9
46	48	Bob Evans Farms Inc.	April	Bob Evans Farms, Owens Family Restaurant	259.2	221.3	176.3
47	50	TPI Enterprises ⁵	Dec.	Shoney's, Captain Dee's	254.9	212.5	198.1
48	44	Luby's Cafeterias Inc.	Aug.	Luby's Cafeterias	254.0	232.8	215.1
49	47	Riese Organization	April	Pizza Hut, Roy Rogers, Dunkin' Donuts, Godfathers	250.0	225.0	200.0
50	61	Little Caesars Enterprises Inc.	Dec.	Little Caesars	248.0	180.0	130.9

Explanation of column headings

● **Rank:** The 1988 rank is based on food-service revenues for each company's fiscal 1988. The 1987 rank is based on revised data for the prior fiscal year. Because of adjustments, the 1986 rankings are not the same as those on the Top 100 Chain ranking that appeared in Nation's Restaurant News' issue of August 3, 1987.

● **Company:** The name of the corporate entity which receives food-service revenue.

● **Key concepts:** The names of the chains or the type of food-service activity which produces food-service revenues for the company.

● **Fiscal year ends:** The month in which the fiscal year terminates, often correlating to those of the company's key concepts.

● **Revenue:** The figure includes only revenues from food-service operations. Reflected in the tally are sales from company-operated facilities; franchise fees; and gains and losses from asset divestitures and acquisitions routinely encountered in the operation of a food-service business. Excluded are sales of franchised facilities and revenues and sales generated by manufacturing, wholesale and distribution subsidiaries. Revenue is presented for three years: fiscal 1988, fiscal 1987, and fiscal 1986.

● **Source:** Figures were derived from company reports, input from analysts, and original research by NRN.

FOCUS TOP 100

TOP 100 COMPANIES RANKED BY FISCAL 1988 REVENUES

Rank 1988	Rank 1987	Company	Fiscal Year Ends	Concept(s)	SALES (by Fiscal Year in Millions)		
					Current	Last Full	Previous
51	51	International Dairy Queen Inc.	Nov.	Dairy Queen, Orange Julius, Karmel Korn, Golden Skillet	241.0	210.6	183.3
52	49	Piccadilly Cafeterias Inc.	June	Piccadilly Cafeterias	235.0	217.0	206.0
53	46	F.W. Woolworth Inc.	Jan.	In-Store, Burger King	234.0	225.0	188.0
54	66	Paragon Restaurant Group	Oct.	Carlos Murphy's, Hungry Hunter, Mountain Jack's	233.0	162.0	160.0
55	53	Chick-fil-A	Dec.	Chick-fil-A	226.0	202.0	182.8
56	63	Chili's Inc.	June	Chili's Grill & Bar, Flyer's, Taco Cabana	209.2	177.2	123.7
57	55	ITT Corp.	Dec.	Sheraton Hotels	207.7	194.2	186.4
58	56	Ramada Inc.	Jan.	Ramada Inns, Marie Callender's Pie Shops, Tropicana	202.2	188.9	182.8
59	54	Restaurants Associates Industries	Dec.	Acapulco, Charlie Brown's, The Office Restaurant, Mama Leone's	201.0	196.0	154.0
60	64	Carrols Corp.	Dec.	Burger King	200.0	171.8	136.4
61	70	Ryan's Family Steak Houses Inc.	Dec.	Ryan's	200.0	155.2	105.0
62	59	Specialty Restaurants Corp.	June	94th Squadron, Baby Doe's, Crawdaddy's, Castaway	200.0	183.0	169.0
63	60	Daka Inc. ⁶	June	Contract, Elgio Sub Shops	191.0	182.0	148.0
64	58	Krystal Co.	Dec.	Krystal, Po' Folks	186.0	184.0	174.0
65	62	Wyatt Cafeterias Inc.	Dec.	Wyatt Cafeteria's	181.0	178.5	184.5
66	73	Fuddruckers Inc. ⁷	Dec.	Fuddruckers	178.0	142.5	110.5
67	86	Horn & Hardart Co. ⁸	Dec.	Burger King, Arby's, Tony Roma's, International King's Table, Din-O-Mat	170.0	107.3	147.2
68	67	Integra—A Hotel and Restaurant Co. ⁹	Dec.	Showbiz/Chuck E. Cheese, Monterey House, Holiday Inn	169.0	159.0	126.0
69	71	Hilton Hotels Corp.	Dec.	Hilton Hotels, Conrad International, Hilton Suites, Cresthill by Hilton	166.0	154.8	146.4
70	65	DeNovo Corp.	Dec.	Dog 'N Suds, Tastee Freez International	161.0	163.5	164.0
71	72	Brown Derby Inc.	May	Brown Derby	148.5	148.0	148.0
72	74	Perkins Family Restaurants L.P.	Dec.	Perkins	148.3	134.8	114.0
73	69	Harman Management Corp.	June	Kentucky Fried Chicken	145.0	156.0	153.0
74	68	Winchell's Donut Houses L.P.	Dec.	Winchell's	143.6	158.5	171.8
75	82	National Pizza Co.	March	Pizza Hut	140.0	119.8	96.5
76	77	Unigate Restaurants	Dec.	Taco Bueno, Casa Bonita, Black-Eyed Pea	138.7	130.0	90.0
77	75	Frisch's Restaurants Inc.	May	Big Boy, Roy Rogers	137.5	133.0	130.0
78	78	DWG Corp.	April	Arby's	135.0	129.2	123.9
79	81	Braum's Ice Cream & Dairy Stores	Dec.	Braum's Ice Cream	134.0	124.0	118.0
80	76	Club Corp. International	Dec.	Clubs and Resorts	133.0	130.0	121.0
81	89	J.B.'s Restaurants	Sept.	J.B.'s, J.B.'s Big Boy	130.0	105.5	107.5
82	84	Papa Gino's of America	Sept.	Papa Gino's Pizza	130.0	117.0	104.0
83	79	Cracker Barrel Old Country Store	July	Cracker Barrel	128.0	128.0	98.0
84	80	Rax Restaurants Inc.	July	Rax	128.0	124.0	122.1
85	90	Abela Enterprises U.S. Inc.	Dec.	Wood Co.	120.0	102.0	91.6
86	88	RTM Inc.	May	Arby's	115.0	105.6	84.0
87	83	Walgreen Co. ¹⁰	Aug.	Walgreen Restaurants, Wag's Family Restaurants	115.0	119.3	121.0
88	93	Sbarro Inc.	Dec.	Sbarro	114.1	86.7	58.5
89	87	Dunkin' Donuts	Oct.	Dunkin' Donuts, Chili's Grill & Bar	111.0	105.6	104.2
90	85	Winners Corp.	Dec.	Mrs. Winner's Chicken, Wendy's	102.0	112.2	116.2
91	91	Consolidated Products Inc.	Sept.	Steak 'n Shake, Carlos Sweeney's, Jeremiah Sweeney's, Snak's Park Avenue, Santini's Italian Cafe	97.8	90.0	86.3
92	57	Jamco Ltd.	Sept.	Mr. Steak, Mr. Steak's Grill	95.0	185.0	130.0
93	94	Waffle House Inc.	May	Waffle House	91.7	84.6	78.1
94	95	Western Steer—Mom 'n' Pop's Inc.	Feb.	Western Steer Family Steak, Prime Sirloin Steak & Seafood	90.4	82.9	62.9
95	92	El Chico Corp.	May	El Chico Restaurants, Cuellar's Cafe	88.0	88.2	93.7
96	97	Skipper's Inc.	Dec.	Skipper's Seafood 'n Chowder	81.4	79.8	78.8
97	100	A. Copeland Enterprises	Oct.	Popeye's	80.0	65.9	63.0
98	99	Sbarra Inc.	Dec.	Arby's	79.3	69.6	62.6
99	98	IHOP Corp.	Dec.	International House of Pancakes	76.9	74.9	76.2
100	96	Consul Restaurants Corp.	May	Chi Chi's Mexican, Chi Chi's El Pronto, Magnolia Cafe	75.5	80.0	75.0
Total:					\$54,470.2	\$48,574.2	\$41,936.8

Source: NRN Research

Footnotes

¹Figures do not include revenues from the Bickford's and Wag's family restaurant chain, which Marriott has agreed to buy in separate deals later this year.

²Figures include revenues from Godfather's Pizza, Quik Wok, and Key West Grill, which Pillsbury is seeking to sell. The company has stated that the sales are imminent.

³To facilitate comparisons, Food-maker's revenues are presented as if the company owned Chi-Chi's for all of fiscal 1988, when in fact the concern purchased the Mexican chain in February 1988.

⁴To facilitate comparisons, Metromedia's revenues are presented as if the company owned Ponderosa for all of fiscal 1988, when in fact Metromedia acquired the chain from Pons Partners several months ago, in fiscal 1989. Metromedia has no other food-service holdings.

⁵To facilitate comparisons, TPI Enterprises' revenues are presented as if the concern has owned for all of fiscal 1988 the restaurant operator formerly known as Shoney's South. In fact, TPI acquired the Shoney's franchisee in the midst of the year.

⁶Daka has agreed to merge with Fuddruckers Inc., which ranks as number 66 on the Top 100 Companies chart. Daka's figures do not include Fuddruckers' revenues.

⁷Fuddruckers has agreed to merge with Daka, which ranks as number 63 on the Top 100 Companies chart. Fuddruckers' figures do not include Daka's revenues.

⁸Horn & Hardart has agreed to sell its largest food-service holdings, the Bo-jangles' Chicken 'n Biscuits chain, to Greenville, S.C.-based Carabo Inc.

Horn & Hardart's revenue figures are presented as if the company has owned the King's Table buffet chain for all of fiscal 1988, when in fact the concern purchased the restaurant system in March.

⁹Integra—A Hotel and Restaurant Co. was formerly known as Brock Hotel Corp. It changed its name in May.

¹⁰Walgreen has agreed to sell its Wags family restaurant chain to Marriott Corp.

FOCUS TOP 100

TOP 100 CHAINS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Units		
				1988	1987	1986
1	1	McDonald's	Dec.	10,420	9,911	9,410
2	3	Kentucky Fried Chicken	Dec.	7,800	7,522	6,575
3	2	7-Eleven	Dec.	7,200	8,200	7,700
4	4	Pizza Hut	Dec.	5,900	5,400	5,100
5	5	Burger King	May	5,500	5,179	4,743
6	6	Dairy Queen	Nov.	5,080	5,005	4,933
7	7	Domino's Pizza	Dec.	4,700	4,279	3,605
8	9	Circle K	April	4,077	3,507	3,372
9	8	Wendy's	Jan.	3,950	3,816	3,727
10	10	Baskin-Robbins	Dec.	3,372	3,311	3,145
11	13	Subway Sandwiches & Salads	Dec.	3,000	2,000	1,178
12	11	Hardee's	Dec.	3,000	2,912	2,711
13	12	Taco Bell	Dec.	2,726	2,710	2,443
14	16	Little Caesars Pizza	Dec.	2,375	1,820	1,308
15	15	Arby's	Dec.	2,100	1,851	1,683
16	14	Marriott Food & Services Management	Dec.	1,956	1,896	1,891
17	17	Dunkin' Donuts	Oct.	1,810	1,669	1,539
18	18	Canteen Corp.	Dec.	1,765	1,630	1,586
19	19	ARA Services	Sept.	1,730	1,600	1,450
20	20	Holiday Inns	Dec.	1,579	1,599	1,641
21	22	Long John Silver's	June	1,488	1,420	1,388
22	21	Church's Chicken	Dec.	1,450	1,495	1,532
23	23	Denny's	June	1,210	1,175	1,140
24	26	Service America Corp.	July	1,038	938	945
25	25	Sonic Drive-In	Aug.	978	948	948
26	28	Jack in the Box	Sept.	970	897	849
27	24	Big Boy	Dec.	960	960	911
28	27	Woolworth	Jan.	940	927	943
29	29	Carvel	Dec.	897	880	864
30	30	Quality Inns	May	877	848	767
31	31	Friendly	Dec.	860	842	829
32	32	Morrison Custom Management	May	840	805	708
33	33	Pizza Inn	June	775	710	650
34	34	Popeye's Famous Fried Chicken	Oct.	739	703	618
35	35	Ponderosa Steakhouses	Feb.	690	653	615
36	36	Ramada Inns	Jan.	678	643	571
37	37	Shoney's	Oct.	660	604	542
38	39	Bonanza	Dec.	650	600	563
39	40	Western Sizzlin'	Oct.	615	590	568
40	41	Roy Rogers	Dec.	610	556	552
41	99	Waffle House	June	600	650	600
42	42	Sizzler	April	587	548	488
43	38	Godfather's	May	580	600	650
44	46	Round Table Pizza	June	575	515	500
45	44	Rax	July	555	520	498
46	43	A&W	Dec.	539	524	547
47	52	Seiler Corp.	Aug.	530	400	370
48	45	Golden Corral	Dec.	505	516	480
49	47	Sheraton Hotels	Dec.	479	487	503
50	48	Int'l House of Pancakes	Dec.	475	454	448
51	49	Whataburger	Sept.	470	445	410
52	50	Carl's Jr.	Jan.	444	436	456
53	51	Daka	June	430	400	327
54	53	Red Lobster	May	400	389	382
55	54	Chick-fil-A	Dec.	393	363	346
56	55	Perkins	Dec.	345	334	328
57	56	Howard Johnson	April	320	320	390
58	58	Hilton Hotels	Dec.	274	271	266
59	57	Village Inn	Oct.	272	272	259
60	59	ShowBiz/Chuck E. Cheese	Dec.	265	265	274
61	60	Country Kitchen	Dec.	260	251	251
62	62	White Castle	Dec.	249	229	220
63	61	Krystal	Dec.	235	243	236
64	67	Grandy's	Dec.	227	200	197
65	63	Bojangles' Chicken 'n Biscuits	Dec.	220	220	276
66	64	Quincy's Family Steak House	Dec.	215	215	218
67	69	Ground Round	Oct.	215	191	199
68	65	Bennigan's	May	215	207	196
69	73	Bob Evans Farms	April	201	175	150
70	70	Western Steer	Feb.	192	184	186
71	68	Chi-Chi's	Sept.	191	195	180
72	71	Marriott Hotels	Dec.	188	177	165
73	100	Disneyland/Disneyworld	Sept.	185	182	185
74	66	El Torito	Dec.	180	203	196
75	75	Radisson Hotels	Dec.	165	158	135
76	76	Morrison's Cafeterias	May	164	156	153
77	72	Steak and Ale	May	160	175	175
78	74	Po' Folks	Sept.	155	170	176
79	79	Bakers Square	Oct.	154	138	116
80	77	Furr's Cafeterias	Dec.	153	151	167
81	78	Coco's	Dec.	153	150	153
82	82	Sportservice	Dec.	153	133	115
83	81	Marie Callender's Pie Shops	Dec.	151	135	124
84	80	Ogden Allied Services	Dec.	147	137	125
85	88	Chili's Grill & Bar	June	140	114	80
86	89	Fuddrucker's	Dec.	137	114	105
87	87	Hyatt Hotels	Jan.	135	116	85
88	83	T.G.I. Friday's	Jan.	135	128	125
89	86	Piccadilly Cafeterias	June	124	116	108
90	84	Wyatt Cafeterias	Dec.	122	119	120
91	92	Ryan's Family Steak	Dec.	121	95	70
92	91	Luby's Cafeteria	Aug.	113	103	94
93	90	Marriott In-Flite Services/Host	Dec.	108	108	110
94	85	Stuart Anderson's	Dec.	85	118	117
95	93	Dobbs	Dec.	69	67	64
96	94	Westin Hotels	April	61	54	62
97	95	Houlihan's	Dec.	55	54	53
98	96	Concession Air	Dec.	49	47	19
99	97	Sky Chefs	Dec.	35	34	58
100	98	Ogden Allied Aviation Services	Dec.	18	16	16
Total:				113,038	107,498	100,345

Source: NRN Research

TOP 100 CHAINS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	Sky Chefs	Dec.	\$10,100.0	\$9,810.0	\$7,180.0
2	2	Marriott In-Flite Services/Host	Dec.	9,490.0	8,800.0	7,470.0
3	3	Westin Hotels	April	8,401.0	8,759.0	7,800.0
4	4	Dobbs	Dec.	6,510.0	6,270.0	6,640.0
5	5	Marriott Hotels	Dec.	5,212.0	4,943.0	4,478.0
6	8	Hilton Hotels	Dec.	3,700.0	3,120.0	2,730.0
7	7	Concession Air	Dec.	3,670.0	3,400.0	1,990.0
8	6	Hyatt Hotels	Jan.	3,280.0	3,510.0	4,120.0
9	12	Sheraton Hotels	Dec.	3,077.0	2,498.0	2,373.0
10	9	T.G.I. Friday's	Jan.	3,000.0	2,900.0	2,900.0
11	10	Houlihan's	Dec.	2,780.0	2,700.0	2,500.0
12	11	Red Lobster	May	2,600.0	2,500.0	2,400.0
13	15	Chi-Chi's	Sept.	2,450.0	2,200.0	2,200.0
14	13	Luby's Cafeteria	Aug.	2,347.0	2,384.0	2,421.0
15	14	Ryan's Family Steak	Dec.	2,250.0	2,344.0	2,159.0
16	16	Stuart Anderson's	Dec.	2,200.0	2,200.0	2,200.0
17	17	Bennigan's	May	2,200.0	2,200.0	2,200.0
18	18	El Torito	Dec.	2,100.0	2,069.0	2,100.0
19	19	Chili's Grill & Bar	June	1,990.0	1,970.0	1,880.0
20	20	Piccadilly Cafeterias	June	1,950.0	1,900.0	1,900.0
21	21	Morrison's Cafeterias	May	1,900.0	1,830.0	1,740.0
22	22	Radisson Hotels	Dec.	1,826.0	1,755.0	1,185.0
23	23	Furr's Cafeterias	Dec.	1,764.7	1,695.3	1,736.5
24	35	Disneyland/Disneyworld	Sept.	1,705.0	1,236.0	1,140.0
25	25	Ogden Allied Services	Dec.	1,640.0	1,530.0	1,500.0
26	24	Marie Callender's Pie Shops	Dec.	1,612.0	1,588.0	1,650.0
27	26	McDonald's	Dec.	1,570.0	1,502.0	1,369.0
28	27	Wyatt Cafeterias	Dec.	1,500.0	1,500.0	1,600.0
29	31	Sizzler	April	1,460.0	1,312.0	1,237.0
30	29	Bob Evans Farms	April	1,400.0	1,370.0	1,365.0
31	28	Steak and Ale	May	1,400.0	1,400.0	1,500.0
32	30	Shoney's	Oct.	1,365.0	1,361.0	1,344.0
33	34	Bakers Square	Oct.	1,300.0	1,240.0	1,182.0
34	37	Ground Round	Oct.	1,300.0	1,192.0	1,068.0
35	33	Fuddrucker's	Dec.	1,300.0	1,250.0	1,050.0
36	32	Sportservice	Dec.	1,260.0	1,310.0	1,300.0
37	36	White Castle	Dec.	1,204.8	1,234.1	1,220.6
38	38	Perkins	Dec.	1,160.0	1,118.0	1,019.0
39	40	Big Boy	Dec.	1,100.0	1,070.0	1,070.0
40	39	Coco's	Dec.	1,100.0	1,082.0	989.0
41	44	Quincy's Family Steak House	Dec.	1,093.0	1,030.0	952.0
42	42	Denny's	June	1,090.0	1,059.0	1,028.3
43	45	Burger King	May	1,035.0	1,017.0	1,009.0
44	43	Po' Folks	Sept.	1,030.0	1,050.0	1,500.0
45	41	Ponderosa Steakhouses	Feb.	1,025.0	1,061.0	949.0
46	46	7-Eleven	Dec.	1,000.0	980.0	551.4
47	52	Marriott Food & Services Management	Dec.	969.9	897.2	597.6
48	48	Western Steer	Feb.	966.0	921.0	899.0
49	49	Bonanza	Dec.	960.0	918.0	840.0
50	61	Carl's Jr.	Jan.	939.8	772.0	739.0
51	51	Roy Rogers	Dec.	935.0	900.0	875.0
52	54	Hardee's	Dec.	930.0	877.0	837.0
53	50	Grandy's	Dec.	926.0	917.0	987.0
54	56	Golden Corral	Dec.	922.6	861.6	786.7
55	55	Village Inn	Oct.	918.0	873.0	848.0
56	53	ShowBiz/Chuck E. Cheese	Dec.	905.7	890.5	875.9
57	59	Jack in the Box	Sept.	900.0	797.4	723.7
58	47	Ogden Allied Aviation Services	Dec.	890.0	930.0	800.0
59	58	Whataburger	Sept.	840.0	800.0	760.0
60	57	Bojangles' Chicken 'n Biscuits	Dec.	818.0	818.0	640.0
61	63	Howard Johnson	April	795.0	750.0	750.0
62	60	Western Sizzlin	Oct.	792.7	790.2	779.2
63	62	Krystal	Dec.	790.0	750.0	733.0
64	64	Wendy's	Jan.	780.0	741.0	754.0
65	66	ARA Services	Sept.	723.5	715.6	699.1
66	67	Popeye's Famous Fried Chicken	Oct.	720.0	710.0	730.0
67	68	Rax	July	715.0	702.0	689.0
68	69	Friendly	Dec.	715.0	683.0	689.0
69	65	Service America Corp.	July	692.3	736.6	716.8
70	71	Int'l House of Pancakes	Dec.	692.0	655.2	592.8
71	70	Kentucky Fried Chicken	Dec.	672.0	659.0	623.0
72	73	Arby's	Dec.	650.0	625.0	600.0
73	72	Country Kitchen	Dec.	648.0	641.0	622.0
74	75	Taco Bell	Dec.	636.4	579.0	560.0
75	76	Chick-fil-A	Dec.	600.0	574.4	539.7
76	74	Circle K	April	561.4	601.9	500.0
77	80	Pizza Hut	Dec.	540.0	510.0	500.0
78	77	Long John Silver's	June	534.3	526.8	515.0
79	79	Canteen Corp.	Dec.	524.5	510.8	480.7
80	78	Holiday Inns	Dec.	523.3	519.6	512.2
81	81	Round Table Pizza	June	515.0	500.0	490.0
82	82	Ramada Inns	Jan.	505.9	489.6	630.4
83	83	Dunkin' Donuts	Oct.	484.0	465.3	454.4
84	86	Pizza Inn	June	450.0	430.0	457.0
85	84	Daka	June	441.2	455.0	452.6
86	85	Domino's Pizza	Dec.	439.0	432.0	480.0
87	87	Seller Corp.	Aug.	424.5	412.5	432.4
88	89	Little Caesars Pizza	Dec.	421.0	398.4	397.6
89	88	Godfather's Pizza	May	414.0	490.0	375.0
90	90	Dairy Queen	Nov.	401.3	375.0	349.0
91	93	Morrison Custom Management	May	363.1	314.3	344.6
92	91	Church's Chicken	Dec.	360.0	361.1	391.4
93	92	Sonic Drive-In	Aug.	355.0	318.0	310.0
94	94	Waffle House	June	350.0	303.0	306.0
95	95	A&W	Dec.	300.6	293.9	295.2
96	96	Carvel	Dec.	255.0	250.0	241.0
97	97	Woolworth	Jan.	249.0	243.0	6,040.0
98	98	Quality Inns	May	221.2	208.7	195.5
99	99	Baskin-Robbins	Dec.	188.4	179.4	172.5
100	100	Subway Sandwiches & Salads	Dec.	167.0	172.0	
		Average:		\$ 1,478.8	\$1,423.8	\$1,373.3

FOCUS TOP 100

DIRECTORY OF TOP 100 CHAINS

Chain	Parent Company	Systemwide Sales		Sales Per Unit		Number of Units	
		Rank 1988	Rank 1987	Rank 1988	Rank 1987	Rank 1988	Rank 1987
7-Eleven	Southland Corp.	32	27	46	46	3	2
ARA Services	ARA Services Inc.	12	13	65	66	19	19
Arby's	DWG Corp.	14	15	72	73	15	15
A&W	A&W Restaurants Inc.	97	97	95	95	46	43
Bakers Square	Vicorp Inc.	86	96	33	34	79	79
Bestkin-Robbins	Allied-Lyons PLC	30	31	99	99	10	10
Bennigan's	Pillsbury Co.	37	39	17	17	68	65
Big Boy	Ellas Bros. Restaurants	15	14	39	40	27	24
Bob Evans Farms	Bob Evans Farms Inc.	65	72	30	29	69	73
Bojangles' Chicken 'n Biscuits	Horn & Hardart Co.	92	85	60	57	65	63
Bonanza	Usacafes L.P.	33	34	49	4	38	39
Burger King	Pillsbury Co.	2	2	43	4	5	5
Canteen Corp.	TW Services Inc.	20	19	79	79	18	18
Carl's Jr.	Carl Karcher Enterprises	46	49	50	61	52	50
Carvel	Carvel Corp.	77	73	96	96	29	29
Chi-Chi's	Foodmaker Inc.	42	40	13	15	71	68
Chick-fil-A	Chick-fil-A Inc.	78	78	75	76	55	54
Chili's Grill & Bar	Chili's Inc.	67	79	19	19	85	88
Church's Chicken	Church's Fried Chicken Inc.	35	33	92	91	22	21
Circle K	Circle K Corp.	90	92	76	74	8	9
Coco's	Restaurant Enterprise Group	96	94	40	39	81	78
Concession Air	Delaware North Cos.	93	95	7	7	98	96
Country Kitchen	Carlson Cos.	89	90	73	72	61	60
Dairy Queen	International Dairy Queen	8	8	90	90	6	6
Daka	Daka Inc.	85	84	85	84	53	51
Denny's	TW Services Inc.	13	11	42	42	23	23
Disneyland/Disneyworld	Walt Disney Co.	53	55	24	35	73	100
Dobbs	Greyhound Corp.	43	43	4	4	95	93
Domino's Pizza	Domino's Pizza Inc.	7	7	86	85	7	7
Dunkin' Donuts	Dunkin' Donuts Inc.	23	23	83	83	17	17
El Torito	Restaurant Enterprises Group	48	42	18	18	74	66
Friendly	Herzhey Corp.	31	32	68	69	31	31
Fuddruggers	Fuddruggers Inc.	95	100	35	33	86	89
Furr's Cafeterias	Calvacade Foods, Inc.	62	62	23	23	80	77
Godfather's Pizza	Pillsbury Co.	68	59	89	88	43	38
Golden Corral	Investors Management Corp.	41	41	54	56	48	45
Grandy's	American Restaurant Group	82	83	53	50	64	67
Ground Round	Hanson Trust Plc.	64	69	34	37	67	69
Hardee's	Imasco Ltd.	4	4	52	54	12	11
Hilton Hotels	Hilton Corp.	22	21	6	8	58	58
Holiday Inns	Holiday Corp.	21	20	80	78	20	20
Houlihan's	Restaurant Enterprises Group	100	99	11	10	97	95
Howard Johnson	Franchise Assoc. Inc.	63	65	61	63	57	56
Hyatt Hotels	Hyatt Hotels Corp.	44	44	8	6	87	87
Int'l House of Pancakes	IHOP Corp.	55	54	70	71	50	48
Jack in the Box	Foodmaker Inc.	24	28	57	59	26	28
Kentucky Fried Chicken	Pepsico Inc.	3	3	71	70	2	3
Krystal	Krystal Co.	88	82	63	62	63	61
Little Caesars Pizza	Little Caesars Enterprises	18	24	88	89	14	16
Long John Silver's	Jerrico Inc.	26	22	78	77	21	22
Luby's Cafeteria	Luby's Cafeterias Inc.	66	68	14	13	92	91
Marie Callender's Pie Shops	Ramada Inc.	76	77	26	24	83	81
Marriott Food & Services	Marriott Corp.	9	9	47	52	16	14
Marriott Hotels	Marriott Corp.	19	18	5	5	72	71
Marriott In-Flite Services/Host	Marriott Corp.	16	17	2	2	93	90
McDonald's	McDonald's Corp.	1	1	27	26	1	1
Morrison Custom Management	Morrison Inc.	57	63	91	93	32	32
Morrison's Cafeterias	Morrison Inc.	60	57	21	21	76	76
Ogden Allied Aviation Services	Ogden Corp.	98	98	58	47	100	98
Ogden Allied Services	Ogden Corp.	69	76	25	25	84	80
Perkins	Perkins Family Restaurants L.	49	48	38	38	56	55
Piccadilly Cafeterias	Piccadilly Cafeterias Inc.	72	75	20	20	89	86
Pizza Hut	Pepsico Inc.	6	6	77	80	4	4
Pizza Inn	Pantera's Corp.	54	51	84	86	33	33
Ponderosa Steakhouses	Metromedia	29	29	45	41	35	35
Popeye's Famous Fried Chicken	A. Copeland Enterprises	40	38	66	67	34	34
Po' Folks	Po' Folks Inc.	99	87	44	43	78	74
Quality Inns	Manor Care Inc.	83	88	98	98	30	30
Quincy's Family Steak House	TW Services	73	71	41	44	66	64
Radisson Hotels	Carlson Cos.	58	58	22	22	75	75
Ramada Inns	Ramada Inc.	52	52	82	82	36	36
Rax	Rax Restaurants Inc.	47	47	67	68	45	44
Red Lobster	General Mills Inc.	17	16	12	11	54	53
Round Table Pizza	Round Table Franchise Corp.	61	64	81	81	44	46
Roy Rogers	Marriott Corp.	34	35	51	51	40	41
Ryan's Family Steak	Ryan's Family Steak House	71	81	15	14	91	92
Seller Corp.	Sodexo	80	93	87	87	47	52
Service America Corp.	Servam Corp.	28	26	69	65	24	26
Sheraton Hotels	ITT Corp.	11	12	9	12	49	47
Shoney's	Shoney's Inc.	25	25	32	30	37	37
ShowBiz/Chuck E. Cheese	Integra	70	67	56	53	60	59
Sizzler	Collins Foods International	27	30	29	31	42	42
Sky Chats	Onex Corp.	50	50	1	1	99	97
Sonic Drive-In	Sonic Industries Inc.	51	53	93	92	25	25
Sportservice	Delaware North Cos.	84	89	36	32	82	82
Steak and Ale	Pillsbury Co.	79	66	31	28	77	72
Stuart Anderson's	American Restaurant Group	87	60	16	16	94	85
Subway Sandwiches & Salads	Doctors Associates Inc.	38	46	100	100	11	13
Taco Bell	Pepsico Inc.	10	10	74	75	13	12
T.G.I. Friday's	Carlson Cos.	45	45	10	9	88	83
Village Inn	Vicorp Inc.	75	74	55	55	59	57
Waffle House	Waffle House Inc.	81	80	94	94	41	99
Wendy's	Wendy's International	5	5	64	64	9	8
Western Sizzlin'	Western Sizzlin' Inc.	39	37	62	60	39	40
Western Steer	Western Steer-Mom 'n' Pop's	94	91	48	48	70	70
Westin Hotels	Aoki Corp.	36	36	3	3	96	94
Whataburger	Whataburger Inc.	56	61	59	58	51	49
White Castle	White Castle System, Inc.	59	56	37	36	82	82
Woolworth	F.W. Woolworth Co.	74	70	97	97	28	27
Wyatt Cafeterias	Wyatt Cafeterias Inc.	91	88	28	27	90	84

NRN's TOP 100: WHO, WHAT, WHEN, WHERE, WHY & HOW

How the Top 100 rankings come to be, and how readers can use the data

The NRN Top 100 is the food-service industry's most comprehensive and reliable statistical profile of leading chains and companies, with the top players assessed and ranked in a variety of ways.

The research project began in January. The reporters and editors of Nation's Restaurant News, using systemwide sales figures from recent years as a yardstick, selected a few hundred of the industry's largest chains and companies from a universe of several thousand contenders.

Those operators who survived the cut were then contacted, first by mail, subsequently by telephone, and occasionally in person, and asked to supply key measures of their respective performances in fiscal 1988.

The data sought from chains included systemwide sales, sales per unit, and number of units. Projections were solicited from those candidates whose fiscal 1988 was still in progress.

Companies were also asked to specify their food-service revenues, which, within the context of the NRN Top 100, differ greatly from systemwide sales. Revenues exclude the intake of franchised units, whereas systemwide sales encompass the intake of all units—franchised and company operated—making up a given chain.

The figures were augmented with input from financial analysts, industry studies, and a variety of other sources.

The data were collated, reviewed, and organized by NRN staffers to yield the Top 100 Chains, a list of the 100 leading restaurant chains ranked by systemwide sales in their respective 1988 fiscal years.

Also drafted was the Top 100 Companies, a list of the 100 leading companies ranked by food-service revenues.

The Top 100 chains were also ranked according to a variety of other criteria, including number of units, sales per unit, and market share.

Each chain's place on the main Top 100 chart can be quickly determined by glancing at the Top 100 Directory on page F29.

For the first time, this year's Top 100 study was expanded to rank the leading chains by their year-to-year growth in a number of areas, including systemwide sales, number of units,

Top 100 Rankings Chains:

By systemwide sales F9
By number of units F24
By sales per unit F24
By market share F30
By growth in systemwide sales F30
By growth in number of units F32
By growth in sales per unit . F32

Companies:

By food-service revenues . . F16
By market share F34
By growth in food-service revenues F34

and sales per unit.

Companies were ranked by fiscal 1988 revenues and market share.

The concerns were also ranked by year-to-year revenue growth.

Figures were extrapolated from the Top 100 Chains list to show year-to-year changes in the fortunes of top contenders within nine major market segments. Included for each Top 100 chain competing within those fields are fiscal 1988 results or projections for share of market, systemwide sales, sales per unit, and number of units.

Complementing the NRN Top 100's more than 30 pages of statistics are capsule profiles of the Top 100 chains and their plans for weathering what the numbers indicate is a daunting industry environment.

Strict criteria and exacting procedures were followed throughout the research project. As a result, last year's projections for the Top 100's 1987 aggregate sales missed the true mark by only 2.5 percent. NRN has revised the original figure of \$73.963 billion to \$75.837 billion.

Similarly, NRN's prediction for the growth of the Top 100 from 1986 to 1987 differed from the actual figure by 2.2 percent. NRN Research projected a 10.3-percent rise in nominal sales for the Top 100 chains, when in fact the increase was 12.5 percent.

The 1987 figures will be revised for a second time next year, and 1988 statistics will be adjusted for comparison purposes in the 1989 NRN Top 100 rankings.

FOCUS TOP 100

TOP 100 RESTAURANT CHAINS RANKED BY MARKET SHARE

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	1	McDonald's	Dec.	19.11%	18.90%	18.43%
2	2	Burger King	May	6.43	6.59	6.67
3	3	Kentucky Fried Chicken	Dec.	5.22	5.41	5.19
4	4	Hardee's	Dec.	4.00	4.04	3.97
5	5	Wendy's	Jan.	3.64	3.78	4.07
6	6	Pizza Hut	Dec.	3.64	3.43	3.35
7	7	Domino's Pizza	Dec.	2.79	2.61	2.32
8	8	Dairy Queen	Nov.	2.47	2.48	2.55
9	9	Marriott Food & Services Mgmt.	Dec.	2.30	2.24	1.68
10	10	Taco Bell	Dec.	2.11	2.03	1.98
11	12	Sheraton Hotels	Dec.	1.79	1.65	1.77
12	13	ARA Services	Sept.	1.52	1.51	1.50
13	11	Denny's	June	1.52	1.67	1.79
14	15	Arby's	Dec.	1.27	1.30	1.31
15	14	Big Boy	Dec.	1.25	1.35	1.45
16	17	Marriott In-Flite Services/Host	Dec.	1.24	1.25	1.22
17	16	Red Lobster	May	1.21	1.29	1.30
18	24	Little Caesars Pizza	Dec.	1.21	0.96	0.77
19	18	Marriott Hotels	Dec.	1.19	1.15	1.10
20	19	Canteen Corp.	Dec.	1.12	1.10	1.13
21	20	Holiday Inns	Dec.	1.00	1.10	1.25
22	21	Hilton Hotels	Dec.	1.00	1.08	1.07
23	23	Dunkin' Donuts	Oct.	0.98	0.96	0.96
24	28	Jack in the Box	Sept.	0.95	0.86	0.87
25	25	Shoney's	Oct.	0.95	0.95	0.96
26	22	Long John Silver's	June	0.92	0.97	1.03
27	30	Sizzler	April	0.91	0.83	0.75
28	26	Service America Corp.	July	0.87	0.91	1.00
29	29	Ponderosa Steakhouses	Feb.	0.85	0.86	0.89
30	31	Baskin-Robbins	Dec.	0.77	0.78	0.80
31	32	Friendly	Dec.	0.73	0.75	0.79
32	27	7-Eleven	Dec.	0.73	0.89	0.89
33	34	Bonanza	Dec.	0.72	0.70	0.68
34	35	Roy Rogers	Dec.	0.70	0.69	0.73
35	33	Church's Chicken	Dec.	0.63	0.70	0.86
36	36	Westin Hotels	April	0.62	0.62	0.68
37	39	Bennigan's	May	0.61	0.59	0.63
38	46	Subway Sandwiches & Salads	Dec.	0.61	0.47	0.21
39	37	Western Sizzlin'	Oct.	0.59	0.61	0.66
40	38	Popeye's Famous Fried Chicken	Oct.	0.59	0.61	0.59
41	41	Golden Corral	Dec.	0.57	0.57	0.54
42	40	Chi-Chi's	Sept.	0.57	0.58	0.62
43	43	Dobbs	Dec.	0.55	0.55	0.57
44	44	Hyatt Hotels	Jan.	0.54	0.54	0.52
45	45	T.G.I. Friday's	Jan.	0.49	0.48	0.52
46	49	Carl's Jr.	Jan.	0.48	0.45	0.50
47	47	Rax	July	0.47	0.47	0.49
48	42	El Torito	Dec.	0.46	0.55	0.58
49	48	Perkins	Dec.	0.45	0.45	0.47
50	50	Sky Chefs	Dec.	0.43	0.44	0.62
51	53	Sonic Drive-In	Aug.	0.42	0.40	0.43
52	52	Ramada Inns	Jan.	0.42	0.40	0.53
53	55	Disneyland/Disneyworld	Sept.	0.41	0.38	0.39
54	51	Pizza Inn	June	0.40	0.41	0.41
55	54	Int'l House of Pancakes	Dec.	0.40	0.39	0.39
56	61	Whataburger	Sept.	0.38	0.34	0.34
57	63	Morrison Custom Management	May	0.37	0.33	0.36
58	58	Radisson Hotels	Dec.	0.37	0.37	0.24
59	56	White Castle	Dec.	0.36	0.37	0.40
60	57	Morrison's Cafeterias	May	0.36	0.37	0.39
61	64	Round Table Pizza	June	0.34	0.33	0.34
62	62	Furr's Cafeterias	Dec.	0.33	0.34	0.43
63	65	Howard Johnson	April	0.32	0.33	0.43
64	69	Ground Round	Oct.	0.32	0.30	0.32
65	72	Bob Evans Farms	April	0.31	0.29	0.26
66	68	Luby's Cafeteria	Aug.	0.31	0.31	0.32
67	79	Chili's Grill & Bar	June	0.31	0.25	0.18
68	59	Godfather's	May	0.30	0.36	0.39
69	76	Ogden Allied Aviation Services	Dec.	0.29	0.28	0.28
70	67	ShowBiz/Chuck E. Cheese	Dec.	0.29	0.31	0.36
71	81	Ryan's Family Steak	Dec.	0.29	0.24	0.19
72	75	Piccadilly Cafeterias	June	0.29	0.29	0.31
73	71	Quincy's Family Steak House	Dec.	0.29	0.29	0.31
74	70	Woolworth	Jan.	0.28	0.30	0.32
75	74	Village Inn	Oct.	0.28	0.29	0.31
76	77	Marie Callender's Pie Shops	Dec.	0.28	0.27	0.30
77	73	Carvel	Dec.	0.28	0.29	0.31
78	78	Chick-fil-A	Dec.	0.27	0.27	0.27
79	66	Steak and Ale	May	0.27	0.33	0.39
80	93	Seller Corp.	Aug.	0.27	0.22	0.24
81	80	Waffle House	June	0.25	0.25	0.26
82	83	Grandy's	Dec.	0.24	0.24	0.26
83	88	Quality Inns	May	0.24	0.23	0.22
84	89	Sportservice	Dec.	0.23	0.23	0.22
85	84	Daka	June	0.23	0.24	0.22
86	96	Bakers Square	Oct.	0.23	0.21	0.19
87	60	Stuart Anderson's	Dec.	0.23	0.35	0.39
88	82	Krystal	Dec.	0.23	0.24	0.26
89	90	Country Kitchen	Dec.	0.22	0.23	0.24
90	92	Circle K	April	0.22	0.22	0.20
91	86	Wyatt Cafeterias	Dec.	0.22	0.24	0.27
92	95	Concession Air	Dec.	0.22	0.21	0.06
93	85	Bojangles' Chicken 'n Biscuits	Dec.	0.22	0.24	0.29
94	91	Western Steer	Feb.	0.22	0.22	0.25
95	100	Fuddrucker's	Dec.	0.22	0.19	0.16
96	94	Coco's	Dec.	0.20	0.21	0.22
97	97	A&W	Dec.	0.20	0.20	0.23
98	98	Ogden Allied Services	Dec.	0.19	0.20	0.19
99	87	Po' Folks	Sept.	0.19	0.23	0.29
100	99	Houlihan's	Dec.	0.19	0.19	0.19

Source: NRN Research

FASTEST GROWING FOOD-SERVICE CHAINS (Ranked by % change in avg. sales per unit, '88 vs. '87)

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Percent Change
1	25	Disneyland/Disneyworld	Sept.	37.94%
2	35	Sheraton Hotels	Dec.	23.18
3	41	Carl's Jr.	Jan.	21.74
4	12	Hilton Hotels	Dec.	18.59
5	95	Morrison Custom Management	May	15.53
6	82	Waffle House	June	15.51
7	18	Jack in the Box	Sept.	12.87
8	54	Sonic Drive-In	Aug.	11.64
9	80	Chi-Chi's	Sept.	11.36
10	33	Sizzler	April	11.28
11	47	Taco Bell	Dec.	9.91
12	15	Ground Round	Oct.	9.06
13	5	Marriott Food & Services Management	Dec.	8.10
14	4	Concession Air	Dec.	7.94
15	10	Marriott In-Flite Services/Host	Dec.	7.84
16	98	Ramada Inns	Jan.	7.73
17	62	Ogden Allied Services	Dec.	7.19
18	21	Golden Corral	Dec.	7.08
19	28	Dairy Queen	Nov.	7.01
20	26	Quincy's Family Steak House	Dec.	6.12
21	40	Hardee's	Dec.	6.04
22	74	Howard Johnson	April	6.00
23	29	Quality Inns	May	5.99
24	61	Pizza Hut	Dec.	5.88
25	73	Little Caesars Pizza	Dec.	5.67
26	16	Int'l House of Pancakes	Dec.	5.62
27	17	Marriott Hotels	Dec.	5.44
28	58	Krystal	Dec.	5.33
29	85	Wendy's	Jan.	5.26
30	51	Village Inn	Oct.	5.15
31	44	Baskin-Robbins	Dec.	5.02
32	36	Whataburger	Sept.	5.00
33	55	Western Steer	Feb.	4.89
34	38	Bakers Square	Oct.	4.84
35	81	Friendly	Dec.	4.69
36	90	Pizza Inn	June	4.65
37	23	Bonanza	Dec.	4.58
38	20	McDonald's	Dec.	4.53
39	31	Chick-fil-A	Dec.	4.46
40	86	Furr's Cafeterias	Dec.	4.09
41	6	Radisson Hotels	Dec.	4.05
42	56	Dunkin' Donuts	Oct.	4.02
43	9	Fuddrucker's	Dec.	4.00
44	42	Arby's	Dec.	4.00
45	43	Red Lobster	May	4.00
46	52	Roy Rogers	Dec.	3.89
47	45	Dobbs	Dec.	3.83
48	37	Morrison's Cafeterias	May	3.83
49	19	Perkins	Dec.	3.76
50	30	Godfather's Pizza	May	3.50
51	79	T.G.I. Friday's	Jan.	3.45
52	60	Round Table Pizza	June	3.00
53	27	Houlihan's	Dec.	2.96
54	7	Sky Chefs	Dec.	2.96
55	50	Denny's	June	2.93
56	89	Seller Corp.	Aug.	2.91
57	75	Big Boy	Dec.	2.80
58	32	Canteen Corp.	Dec.	2.68
59	78	Piccadilly Cafeterias	June	2.63
60	100	Woolworth	Jan.	2.47
61	49	A&W	Dec.	2.28
62	72	Bob Evans Farms	April	2.19
63	3	7-Eleven	Dec.	2.04
64	46	Carvel	Dec.	2.00
65	34	Kentucky Fried Chicken	Dec.	1.97
66	63	Rax	July	1.85
67	69	Burger King	May	1.77
68	64	ShowBiz/Chuck E. Cheese	Dec.	1.71
69	22	Coco's	Dec.	1.66
70	96	Domino's Pizza	Dec.	1.62
71	88	Marie Callender's Pie Shops	Dec.	1.51
72	83	El Torito	Dec.	1.50
73	59	Long John Silver's	June	1.42
74	87	Popeye's Famous Fried Chicken	Oct.	1.41
75	57	ARA Services	Sept.	1.10
76	48	Country Kitchen	Dec.	1.09
77	39	Chili's Grill & Bar	June	1.02
78	93	Grandy's	Dec.	0.98
79	65	Holiday Inns	Dec.	0.71
80	66	Western Sizzlin'	Oct.	0.32
81	67	Shoney's	Oct.	0.29
82	91	Wyatt Cafeterias	Dec.	0.00
83	92	Steak and Ale	May	0.00
84	76	Stuart Anderson's	Dec.	0.00
85	77	Bennigan's	May	0.00
86	8	Bojangles' Chicken 'n Biscuits	Dec.	0.00
87	94	Church's Chicken	Dec.	- 0.30
88	84	Luby's Cafeteria	Aug.	- 1.55
89	99	Po' Folks	Sept.	- 1.90
90	68	White Castle	Dec.	- 2.37
91	2	Subway Sandwiches & Salads	Dec.	- 2.91
92	71	Daka	June	- 3.03
93	14	Ponderosa Steakhouses	Feb.	- 3.39
94	70	Sportservice	Dec.	- 3.82
95	24	Ryan's Family Steak	Dec.	- 4.01
96	13	Westin Hotels	April	- 4.09
97	11	Ogden Allied Aviation Services	Dec.	- 4.30
98	53	Service America Corp.	July	- 6.01
99	97	Hyatt Hotels	Jan.	- 6.55
100	1	Circle K	April	- 6.73

Source: NRN Research

FOCUS TOP 100

**TOP 100 CHAINS RANKED BY GROWTH
IN NUMBER OF UNITS**

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Percent Change	
				'88 vs. '87	'87 vs. '86
1	2	Subway Sandwiches & Salads	Dec.	50.00%	69.78%
2	33	Seller Corp.	Aug.	32.50	8.11
3	4	Little Caesars Pizza	Dec.	30.49	39.14
4	6	Ryan's	Dec.	27.37	35.71
5	3	Chili's Grill & Bar	June	22.81	42.50
6	28	Fuddruckers	Dec.	20.18	8.57
7	5	Hyatt Hotels	Jan.	16.38	36.47
8	52	Circle K	April	16.25	4.00
9	12	Sportservice	Dec.	15.04	15.65
10	11	Bob Evans Farms	April	14.86	16.67
11	69	Grandy's	Dec.	13.50	1.52
12	22	Arby's	Dec.	13.45	9.98
13	97	Westin Hotels	April	12.96	- 12.90
14	92	Ground Round	Oct.	12.57	- 4.02
15	77	Ogden Allied Aviation Services	Dec.	12.50	0.00
16	27	Marie Callender's Pie Shops	Dec.	11.85	8.87
17	56	Round Table Pizza	June	11.65	3.00
18	8	Baker's Square	Oct.	11.59	18.97
19	79	Service America Corp.	July	10.66	- 0.74
20	9	Domino's Pizza	Dec.	9.84	18.70
21	73	Roy Rogers	Dec.	9.71	0.72
22	24	Luby's Cafeteria	Aug.	9.71	9.57
23	18	Shoney's	Oct.	9.27	11.44
24	41	Pizza Hut	Dec.	9.26	5.88
25	25	Pizza Inn	June	9.15	9.23
26	51	White Castle	Dec.	8.73	4.09
27	30	Dunkin' Donuts	Oct.	8.45	8.45
28	38	Bonanza	Dec.	8.33	6.57
29	58	Canteen Corp.	Dec.	8.28	2.77
30	48	Chick-fil-A	Dec.	8.26	4.91
31	42	Jack in the Box	Sept.	8.14	5.65
32	21	ARA Services	Sept.	8.13	10.34
33	7	Daka	June	7.50	22.32
34	23	Ogden Allied Services	Dec.	7.30	9.60
35	17	Sizzler	April	7.12	12.30
36	36	Piccadilly Cafeterias	June	6.90	7.41
37	50	Rax	July	6.73	4.42
38	37	Marriott Hotels	Dec.	6.21	7.27
39	26	Burger King	May	6.20	9.19
40	40	Ponderosa Steakhouses	Feb.	5.67	6.18
41	29	Whataburger	Sept.	5.62	8.54
42	59	T.G.I. Friday's	Jan.	5.47	2.40
43	16	Ramada Inns	Jan.	5.44	12.61
44	45	McDonald's	Dec.	5.14	5.32
45	62	Morrison's Cafeterias	May	5.13	1.96
46	14	Popeye's Famous Fried Chicken	Oct.	5.12	13.75
47	61	Long John Silver's	June	4.79	2.31
48	71	Int'l House of Pancakes	Dec.	4.63	1.34
49	10	Radisson Hotels	Dec.	4.43	17.04
50	81	Western Steer	Feb.	4.35	- 1.08
51	15	Morrison Custom Management	May	4.35	13.70
52	1	Concession Air	Dec.	4.26	147.37
53	53	Western Sizzlin'	Oct.	4.24	3.87
54	43	Bennigan's	May	3.86	5.61
55	13	Kentucky Fried Chicken	Dec.	3.70	14.40
56	76	Country Kitchen	Dec.	3.59	0.00
57	60	Wendy's	Jan.	3.51	2.39
58	20	Quality Inns	May	3.42	10.56
59	67	Perkins	Dec.	3.29	1.83
60	74	Marriott Food & Services Management	Dec.	3.16	0.26
61	78	Sonic Drive-In	Aug.	3.16	0.00
62	35	Hardee's	Dec.	3.02	7.41
63	49	Dobbs	Dec.	2.99	4.69
64	55	Denny's	June	2.98	3.07
65	100	Sky Chefs	Dec.	2.94	- 41.38
66	93	A&W	Dec.	2.86	- 4.20
67	66	Red Lobster	May	2.83	1.83
68	80	Wyatt Cafeterias	Dec.	2.52	- 0.83
69	68	Friendly	Dec.	2.14	1.57
70	86	Coco's	Dec.	2.00	- 1.96
71	65	Carvel	Dec.	1.93	1.85
72	63	Houlihan's	Dec.	1.95	1.89
73	46	Baskin-Robbins	Dec.	1.84	5.28
74	94	Carl's Jr.	Jan.	1.83	- 4.39
75	83	Disneyland/Disneyworld	Sept.	1.65	- 1.62
76	70	Dairy Queen	Nov.	1.50	1.46
77	84	Woolworth	Jan.	1.40	- 1.70
78	96	Furr's Cafeterias	Dec.	1.32	- 9.58
79	64	Hilton Hotels	Dec.	1.11	1.88
80	19	Taco Bell	Dec.	0.59	10.93
81	82	Quincy's	Dec.	0.00	- 1.38
82	99	Bojangles' Chicken 'n Biscuits	Dec.	0.00	- 20.29
83	85	Marriott In-Flite Services/Host	Dec.	0.00	- 1.82
84	44	Big Boy	Dec.	0.00	5.38
85	47	Village Inn	Oct.	0.00	5.02
86	98	Howard Johnson	April	0.00	- 17.95
87	90	ShowBiz/Chuck E. Cheese	Dec.	0.00	- 3.28
88	88	Holiday Inns	Dec.	- 1.25	- 2.56
89	89	Sheraton Hotels	Dec.	- 1.64	- 3.18
90	32	Chi-Chi's	Sept.	- 2.05	8.33
91	34	Golden Corral	Dec.	- 2.13	7.50
92	87	Church's Chicken	Dec.	- 3.01	- 2.42
93	57	Krystal	Dec.	- 3.29	2.97
94	95	Godfather's Pizza	May	- 3.33	- 7.89
95	31	Waffle House	June	- 7.69	8.33
96	75	Steak and Ale	May	- 8.57	0.00
97	91	Po' Folks	Sept.	- 8.82	- 3.41
98	54	El Torito	Dec.	- 11.33	3.57
99	39	7-Eleven	Dec.	- 12.20	6.49
100	72	Stuart Anderson's	Dec.	- 27.97	0.85

**TOP 100 CHAINS RANKED BY SYSTEMWIDE
SALES GROWTH
(Year-to-Year Percentage Change)**

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Percent Change	
				'88 vs. '87	'87 vs. '86
1	2	Subway Sandwiches & Salads	Dec.	38.89%	157.14%
2	7	Little Caesars Pizza	Dec.	37.93	39.42
3	82	Seller Corp.	Aug.	36.36	3.13
4	4	Chili's Grill & Bar	June	31.09	56.91
5	6	Ryan's Family Steak	Dec.	29.73	48.00
6	8	Fuddruckers	Dec.	24.91	28.96
7	14	Bakers Square	Oct.	21.79	19.72
8	80	Morrison Custom Management	May	20.55	3.69
9	31	Whataburger	Sept.	19.23	13.04
10	40	Jack in the Box	Sept.	19.08	11.39
11	12	Sizzler	April	18.81	25.25
12	75	Sheraton Hotels	Dec.	17.65	4.96
13	11	Bob Evans Farms	April	17.13	25.52
14	9	Domino's Pizza	Dec.	16.34	26.16
15	85	Carl's Jr.	Jan.	16.21	2.35
16	79	Sonic Drive-In	Aug.	16.09	3.75
17	27	Pizza Hut	Dec.	15.38	15.04
18	48	Disneyland/Disneyworld	Sept.	15.17	9.10
19	36	Ogden Allied Aviation Services	Dec.	14.76	12.00
20	57	Ground Round	Oct.	14.19	7.15
21	99	Ramada Inns	Jan.	13.58	- 16.25
22	24	Bonanza	Dec.	12.56	15.43
23	1	Concession Air	Dec.	12.50	323.28
24	25	Taco Bell	Dec.	12.44	15.32
25	44	Round Table Pizza	June	12.28	9.65
26	16	Marriott Hotels	Dec.	11.97	18.33
27	88	Marie Callender's Pie Shops	Dec.	11.68	1.18
28	5	Marriott Food & Services Management	Dec.	11.53	50.54
29	43	Chick-fil-A	Dec.	11.49	10.89
30	77	T.G.I. Friday's	Jan.	11.26	4.30
31	46	Canteen Corp.	Dec.	11.18	9.22
32	64	Bennigan's	May	11.11	5.88
33	22	Sportservice	Dec.	10.92	16.23
34	53	Waffle House	June	10.88	8.29
35	33	Dunkin' Donuts	Oct.	10.87	12.47
36	35	Int'l House of Pancakes	Dec.	10.49	12.01
37	26	McDonald's	Dec.	9.91	15.27
38	15	Golden Corral	Dec.	9.77	18.45
39	17	Quality Inns	May	9.60	18.00
40	81	Grandy's	Dec.	9.59	3.40
41	58	Roy Rogers	Dec.	9.52	7.14
42	32	ARA Services	Sept.	9.32	12.95
43	54	Luby's Cafeteria	Aug.	9.11	8.23
44	50	Rax	July	8.85	8.94
45	3	Radisson Hotels	Dec.	8.65	73.37
46	20	Hyatt Hotels	Jan.	8.55	16.73
47	39	Shoney's	Oct.	8.54	11.50
48	49	Dairy Queen	Nov.	8.52	9.00
49	84	Westin Hotels	April	8.45	2.59
50	10	Circle K	April	8.40	25.56
51	71	Piccadilly Cafeterias	June	8.29	5.34
52	23	Marriott In-Flite Services/Host	Dec.	7.81	15.69
53	21	Ogden Allied Services	Dec.	7.74	16.47
54	29	Hardee's	Dec.	7.72	14.47
55	47	Perkins	Dec.	7.65	9.11
56	51	Ponderosa Steakhouses	Feb.	7.55	8.85
57	52	Dobbs	Dec.	7.00	8.67
58	59	Country Kitchen	Dec.	6.98	6.83
59	45	Baskin-Robbins	Dec.	6.94	9.49
60	41	Pizza Inn	June	6.45	11.23
61	65	Village Inn	Oct.	6.42	5.83
62	62	Chi-Chi's	Sept.	6.36	6.02
63	38	Arby's	Dec.	6.28	11.51
64	73	White Castle	Dec.	6.16	5.25
65	63	Morrison's Cafeterias	May	6.15	5.95
66	60	Quincy's Family Steak House	Dec.	6.09	6.80
67	42	Burger King	May	6.00	11.11
68	98	Howard Johnson	April	6.00	- 14.53
69	100	Sky Chefs	Dec.	5.79	- 19.93
70	61	Friendly	Dec.	5.70	6.79
71	97	Furr's Cafeterias	Dec.	5.47	- 11.72
72	28	Popeye's Famous Fried Chicken	Oct.	5.43	15.00
73	83	Western Steer	Feb.	5.28	2.65
74	90	A&W	Dec.	5.19	- 1.28
75	13	Daka	June	4.95	22.97
76	18	Kentucky Fried Chicken	Dec.	4.88	17.14
77	19	Houlihan's	Dec.	4.79	16.80
78	76	Wendy's	Jan.	4.60	4.40
79	72	Western Sizzlin'	Oct.	4.57	5.33
80	86	Service America Corp.	July	4.01	1.99
81	78	Woolworth	Jan.	4.00	4.17
82	66	Carvel	Dec.	3.95	5.77
83	56	Coco's	Dec.	3.70	7.50
84	69	Long John Silver's	June	3.45	5.64
85	37	Red Lobster	May	2.46	11.54
86	91	ShowBiz/Chuck E. Cheese	Dec.	1.89	- 1.67
87	92	Wyatt Cafeterias	Dec.	1.40	- 3.25
88	68	Krystal	Dec.	1.09	5.75
89	30	Hilton Hotels	Dec.	0.81	13.42
90	70	Big Boy	Dec.	0.29	5.37
91	95	Bojangles' Chicken 'n Biscuits	Dec.	0.00	- 7.69
92	89	Holiday Inns	Dec.	- 0.53	- 1.14
93	74	Denny's	June	- 1.19	4.98
94	94	Church's Chicken	Dec.	- 2.60	- 7.58
95	55	El Torito	Dec.	- 10.00	7.69
96	93	Steak and Ale	May	- 10.00	- 3.85
97	34	7-Eleven	Dec.	- 10.04	12.14
98	96	Po' Folks	Sept.	- 10.11	- 9.74
99	67	Godfather's	May	- 10.91	5.77
100	87	Stuart Anderson's	Dec.	- 28.30	1.53

FOCUS TOP 100

TOP 100 FOOD-SERVICE COMPANIES RANKED BY REVENUE GROWTH

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Percent Change	
				'87 vs. '88	'86 vs. '87
1	41	Greyhound Corp.	Dec.	110.81%	12.12%
2	57	Foodmaker Inc.	Sept.	60.45	7.51
3	99	Horn & Hardart Co.	Dec.	58.43	- 27.11
4	25	Sodexo	Aug.	46.91	21.84
5	84	Paragon Restaurant Group	Oct.	43.83	1.25
6	12	TW Services	Dec.	41.12	29.94
7	2	Doctors Associates	Dec.	38.89	614.29
8	9	Little Caesars Enterprises Inc.	Dec.	37.78	37.51
9	4	Sbarro Inc.	Dec.	31.60	48.21
10	5	Ryan's Family Steak Houses Inc.	Dec.	28.87	47.81
11	35	Morrison Inc.	May	26.25	14.89
12	13	Fuddrucker's Inc.	Dec.	24.91	28.96
13	69	Elias Bros. Restaurants	Dec.	24.62	4.84
14	89	J.B.'s Restaurants	Sept.	23.22	- 1.86
15	70	A. Copeland Enterprises	Oct.	21.40	4.60
16	59	TPI Enterprises	Dec.	19.95	7.27
17	37	Whataburger Inc.	Sept.	19.23	13.04
18	7	Chili's Inc.	June	18.06	43.25
19	31	Carl Karcher Enterprises	Jan.	17.73	16.56
20	33	Imasco Ltd.	Dec.	17.65	15.25
21	42	Abela Enterprises U.S. Inc.	Dec.	17.65	11.35
22	18	Bob Evans Farms Inc.	April	17.13	25.52
23	21	National Pizza Co.	March	16.86	24.15
24	26	General Mills Inc.	May	16.67	20.00
25	16	Carrols Corp.	Dec.	16.41	25.95
26	49	Disney Co.	Sept.	15.17	9.10
27	34	International Dairy Queen Inc.	Nov.	14.43	14.89
28	3	PepsiCo Inc.	Dec.	14.29	61.54
29	20	Hanson Trust Plc.	Oct.	14.19	24.49
30	44	Sybra Inc.	Dec.	13.94	11.18
31	24	Domino's Pizza Inc.	Dec.	12.02	22.48
32	46	Chick-fil-A	Dec.	11.88	10.50
33	36	Ogden Corp.	Dec.	11.85	13.81
34	32	McDonald's Corp.	Dec.	11.77	15.42
35	19	Marriott Corp.	Dec.	11.76	25.21
36	22	Delaware North Cos. Inc.	Dec.	11.68	23.70
37	100	Nestles SA	Dec.	11.68	- 32.65
38	40	Riese Organization	April	11.11	12.50
39	39	Papa Gino's of America	Sept.	11.11	12.50
40	48	Shoney's Inc.	Oct.	10.06	10.39
41	28	Perkins Family Restaurants L.P.	Dec.	10.01	18.25
42	45	American Restaurant Group Inc	Dec.	10.00	11.11
43	47	Carlson Cos.	Dec.	9.37	10.48
44	38	ARA Services Inc.	Sept.	9.32	12.95
45	54	Specialty Restaurants Corp.	June	9.29	8.28
46	56	Luby's Cafeterias Inc.	Aug.	9.11	8.23
47	10	Western Steer-Mom 'n' Pop's	Feb.	9.05	31.80
48	17	RTM Inc.	May	8.90	25.71
49	71	Consolidated Products Inc.	Sept.	8.67	4.29
50	52	Collins Foods International Inc.	April	8.56	8.52
51	29	Hyatt Hotels Corp	Jan.	8.55	16.73
52	77	Aoki Corp.	April	8.45	2.59
53	53	Waffle House Inc.	May	8.39	8.32
54	62	Jerrico Inc.	June	8.31	6.66
55	65	Piccadilly Cafeterias Inc.	June	8.29	5.34
56	68	Braum's Ice Cream & Dairy Stores	Dec.	8.06	5.08
57	51	Boddie-Noell Enterprises	Sept.	7.84	8.94
58	97	Onex Corp.	Dec.	7.29	- 19.93
59	64	Hilton Hotels Corp.	Dec.	7.24	5.72
60	76	Ramada Inc.	Jan.	7.04	3.34
61	73	ITT Corp.	Dec.	6.95	4.18
62	74	Manor Care Inc.	May	6.75	3.99
63	6	Unigate Restaurants	Dec.	6.69	44.44
64	15	Integra	Dec.	6.29	26.19
65	67	White Castle System Inc.	Dec.	6.16	5.25
66	98	Vicorp Inc.	Oct.	5.77	- 25.98
67	60	Hershey Corp.	Dec.	5.70	6.79
68	1	Cavalcade Food Inc.	Dec.	5.47	ERR
69	82	Dunkin' Donuts	Oct.	5.11	1.34
70	23	Daka Inc.	June	4.95	22.97
71	66	Western Sizzlin	Oct.	4.57	5.33
72	72	DWG Corp.	April	4.49	4.28
73	79	Servam Corp.	July	4.01	1.99
74	27	F.W. Woolworth Inc.	Jan.	4.00	19.68
75	78	Frisch's Restaurants Inc.	May	3.38	2.31
76	30	Investors Management Corp.	Dec.	3.34	16.72
77	81	Rax Restaurants Inc.	July	3.23	1.56
78	88	IHOP Corp.	Dec.	2.67	- 1.71
79	14	Restaurants Associates Industries	Dec.	2.55	27.27
80	58	Club Corp. International	Dec.	2.31	7.44
81	83	Skipper's Inc.	Dec.	2.01	1.27
82	94	Wendy's International	Jan.	1.55	- 7.13
83	91	Wyatt Cafeterias Inc.	Dec.	1.40	- 3.25
84	63	Krystal Co.	Dec.	1.09	5.75
85	90	Holiday Corp.	Dec.	0.65	- 3.02
86	85	Brown Derby Inc.	May	0.34	0.00
87	11	Cracker Barrel Old Country Store	July	0.00	30.61
88	93	El Chico Corp.	May	- 0.23	- 5.87
89	86	DeNovo Corp.	Dec.	- 1.53	- 0.30
90	43	Restaurant Enterprises Group Inc.	Dec.	- 1.61	11.21
91	75	Pillsbury Co.	May	- 2.32	3.79
92	87	Walgreen Co.	Aug.	- 3.60	- 1.40
93	96	Church's Fried Chicken Inc.	Dec.	- 3.62	- 16.65
94	50	Metromedia Inc.	Feb.	- 3.65	9.08
95	61	Consul Restaurants Corp.	May	- 5.63	6.67
96	80	Harman Management Corp	June	- 7.05	1.96
97	92	Winners Corp.	Dec.	- 9.09	- 3.44
98	95	Winchell's Donut Houses L.P.	Dec.	- 9.40	- 7.74
99	8	Jamco Ltd.	Sept.	- 48.65	42.31
100	55	Southland Corp.		- 52.75	8.26

Source: NRN Research

MARKET SHARES FOR TOP 100 FOOD-SERVICE COMPANIES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	1	McDonald's Corp.	Dec.	10.04%	8.98%	7.78%
2	2	Marriott Corp.	Dec.	9.69	8.67	6.93
3	3	Pepsico Inc.	Dec.	8.81	7.71	4.77
4	5	TW Services	Dec.	6.46	4.58	3.52
5	4	Pillsbury Co.	May	4.96	5.07	4.89
6	6	General Mills Inc.	May	3.21	2.75	2.29
7	7	Imasco Ltd.	Dec.	2.94	2.50	2.17
8	9	ARA Services Inc.	Sept.	2.30	2.10	1.86
9	8	Restaurant Enterprises Group Inc.	Dec.	2.24	2.28	2.05
10	10	Wendy's International	Jan.	1.97	1.94	2.09
11	11	Domino's Pizza Inc.	Dec.	1.82	1.62	1.32
12	17	Foodmakers Inc.	Sept.	1.76	1.10	1.02
13	12	Carlson Cos.	Dec.	1.64	1.50	1.36
14	29	Greyhound Corp.	Dec.	1.43	0.68	0.61
15	16	Morrison Inc.	May	1.40	1.11	0.96
16	13	Servam Corp.	July	1.32	1.27	1.24
17	14	Shoney's Inc.	Oct.	1.24	1.13	1.02
18	20	Collins Foods International Inc.	April	1.13	1.04	0.96
19	19	Jerrico Inc.	June	1.13	1.04	0.98
20	18	Hershey Corp.	Dec.	1.11	1.05	0.98
21	22	American Restaurant Group Inc.	Dec.	1.01	0.92	0.83
22	21	Metromedia Inc.	Feb.	0.95	0.98	0.90
23	23	Aoki Corp.	April	0.94	0.87	0.84
24	31	Doctor's Associates Inc.	Dec.	0.92	0.66	0.09
25	24	Western Sizzlin'	Oct.	0.89	0.86	0.81
26	25	Investors Management Corp.	Dec.	0.85	0.82	0.70
27	26	Hyatt Hotels Corp.	Jan.	0.81	0.75	0.64
28	28	Nestles SA	Dec.	0.81	0.72	1.07
29	30	Carl Karcher Enterprises	Jan.	0.80	0.68	0.58
30	36	Elias Bros. Restaurants	Dec.	0.74	0.60	0.57
31	32	Ogden Corp.	Dec.	0.74	0.66	0.58
32	27	Church's Fried Chicken Inc.	Dec.	0.71	0.74	0.88
33	33	Delaware North Cos. Inc.	Dec.	0.68	0.61	0.50
34	34	Onex Corp.	Dec.	0.66	0.61	0.76
35	35	Manor Care Inc.	May	0.64	0.60	0.58
36	38	Disney Co.	Sept.	0.61	0.53	0.49
37	37	Vicorp Inc.	Oct.	0.61	0.57	0.77
38	42	Whataburger Inc.	Sept.	0.57	0.48	0.42
39	39	White Castle System Inc.	Dec.	0.55	0.52	0.49
40	52	Sodexo	Aug.	0.55	0.37	0.31
41	40	Boddie-Noell Enterprises	Sept.	0.53	0.49	0.45
42	15	Southland Corp.	Dec.	0.52	1.11	1.03
43	43	Cavalcade Food Inc.	Dec.	0.50	0.47	0.00
44	41	Holiday Corp.	Dec.	0.48	0.48	0.49
45	45	Hanson Trust Plc.	Oct.	0.48	0.42	0.34
46	48	Bob Evans Farms Inc.	April	0.48	0.41	0.32
47	50	TPI Enterprises	Dec.	0.47	0.39	0.36
48	44	Luby's Cafeterias Inc.	Aug.	0.47	0.43	0.39
49	47	Riese Organization	April	0.46	0.41	0.37
50	61	Little Caesars Enterprises Inc.	Dec.	0.46	0.33	0.24
51	51	International Dairy Queen Inc.	Nov.	0.44	0.39	0.34
52	49	Piccadilly Cafeterias Inc.	June	0.43	0.40	0.38
53	46	F.W. Woolworth Inc.	Jan.	0.43	0.41	0.35
54	66	Paragon Restaurant Group	Oct.	0.43	0.30	0.29
55	53	Chick-fil-A	Dec.	0.41	0.37	0.34
56	63	Chili's Inc.	June	0.38	0.33	0.23
57	55	ITT Corp.	Dec.	0.38	0.36	0.34
58	56	Ramada Inc.	Jan.	0.37	0.35	0.34
59	54	Restaurants Associates Industries	Dec.	0.37	0.36	0.28
60	64	Carrols Holding Corp.	Dec.	0.37	0.32	0.25
61	59	Specialty Restaurants Corp.	June	0.37	0.34	0.31
62	70	Ryan's Family Steak Houses Inc.	Dec.	0.37	0.28	0.19
63	60	Daka Inc.	June	0.35	0.33	0.27
64	58	Krystal Co.	Dec.	0.34	0.34	0.32
65	62	Wyatt Cafeterias Inc.	Dec.	0.33	0.33	0.34
66	73	Fuddrucker's Inc.	Dec.	0.33	0.26	0.20
67	86	Horn & Hardart Co.	Dec.	0.31	0.20	0.27
68	67	Integra Hotel and Restaurant Co.	Dec.	0.31	0.29	0.23
69	71	Hilton Hotels Corp.	Dec.	0.30	0.28	0.27
70	65	DeNovo Corp.	Dec.	0.30	0.30	0.30
71	72	Brown Derby Inc.	May	0.27	0.27	0.27
72	74	Perkins Family Restaurants L.P.	Dec.	0.27	0.25	0.21
73	69	Harman Management Corp	June	0.27	0.29	0.28
74	68	Winchell's Donut Houses L.P.	Dec.	0.26	0.29	0.32
75	82	National Pizza Co.	March	0.26	0.22	0.18
76	77	Unigate Plc.	Dec.	0.25	0.24	0.17
77	75	Frisch's Restaurants Inc.	May	0.25	0.24	0.24
78	78	DWG Corp.	April	0.25	0.24	0.23
79	80	Braum's Ice Cream & Dairy Stores	Dec.	0.25	0.23	0.22
80	76	Club Corp. International	Dec.	0.24	0.24	0.22
81	89	J.B.'s Restaurants	Sept.	0.24	0.19	0.20
82	84	Papa Gino's of America	Sept.	0.24	0.21	0.19
83	79	Cracker Barrel Old Country Store	July	0.23	0.23	0.18
84	81	Rax Restaurants Inc.	July	0.23	0.23	0.22
85	90	Abela Enterprises U.S. Inc.	Dec.	0.22	0.19	0.17
86	88	RTM Inc.	May	0.21	0.19	0.15
87	83	Walgreen Co.	Aug.	0.21	0.22	0.22
88	93	Sbarro Inc.	Dec.	0.21	0.16	0.11
89	87	Dunkin' Donuts	Oct.	0.20	0.19	0.19
90	85	Winners Corp.	Dec.	0.19	0.21	0.21
91	91	Consolidated Products Inc.	Sept.	0.18	0.17	0.16
92	57	Jamco Ltd.	Sept.	0.17	0.34	0.24
93	94	Waffle House Inc.	May	0.17	0.16	0.14
94	95	Western Steer-Mom 'n' Pop's Inc.	Feb.	0.17	0.15	0.12
95	92	El Chico Corp.	May	0.16	0.16	0.17
96	97	Skipper's Inc.	Dec.	0.15	0.15	0.14
97	100	A. Copeland Enterprises	Oct.	0.15	0.12	0.12
98	99	Sybra Inc.	Dec.	0.15	0.13	0.11
99	98	IHOP Corp.	Dec.	0.14	0.14	0.14
100	96	Consul Restaurants Corp.	May	0.14	0.15	0.14

Source: NRN Research

FOCUS | TOP 100

EXECUTIVE MERRY-GO-ROUND

A widespread and fast-paced plague of resignations, ousters, and realignments took victims in several of the food-service industry's board rooms last year

By Charles Bernstein

David Bennett has resigned as president of Cleveland-based Morgan's Foods, a KFC and Sizzler franchisee, after one year in the post. Jim Liguori, executive vice president and chief of the KFC division, was named acting president.

Bennett stepped down last month at a board meeting just after he was re-elected to the board. It was speculated that he might have felt thwarted regarding future expansion plans or that there was some dispute with board. But neither Bennett nor the board members would make any comment, other than confirming that he resigned "to pursue his own interests."

In the one year that the former Sambo's and Taco Bell executive was at the helm, the company's sales tripled to \$60 million as Bennett launched the Sizzler franchise, rapidly expanded KFC, and sought to start a third franchising division.

This is the latest in a string of executive suite ousters and resignations that have occurred at a frantic pace in the last year. The changes reflect severe bottom-line pressures and a maturing industry that demands more professionalism and tends to make scapegoats out of top executives. Entrepreneurial restlessness, board room battles, and mergers also are factors in the turmoil.

Among the most earthshaking switches:

- Donald Doyle, a KFC executive for 15 years through various owners and administrations, resigned as KFC-USA president in April in an apparent policy dispute with KFC chairman and chief executive officer Richard Mayer over the chain's strategic direction. Doyle wanted to sustain a quick expansion pace, while others thought the financial times dictated a more cautious approach. Steven Fellingham, KFC's international president, succeeded Doyle, and Donald Pierce—who had briefly been Denny's president—resurfaced as KFC-International president.

- Jeffrey Campbell was deposed as chairman and chief executive of the Pillsbury restaurant group in June, and the post was left vacant. At the same time Kyle Craig was ousted as Pillsbury's S&A Restaurant Corp. chairman and chief executive officer, with Pillsbury corporate development executive vice president Jerry Levin taking over. The switches reflected what Pillsbury executives regarded as disappointing results in Burger King, Bennigan's, and Steak & Ale restaurants as well as decisions to sell Bay Street, Quick Wok, and Godfather's Pizza.

The musical chairs game began last August when Dallas-based Pizza Inn chairman F. Joseph Spillman stepped away from daily operations after the St. Louis-based Pantera Corp. acquired the chain. R.E. Smith moved over from Pantera's Pizza president to become Pizza Inn chairman, while David McCracken moved up from Pantera's vice president to president.

That same month Stanley Bresler,



David Bennett

who had led the family-owned 300-unit Bresler's ice-cream chain for years, stepped down as president to concentrate on his 1,500-unit Convenience Food Mart chain. David Lasky rose from Bresler's executive vice president to president.

In a surprise September move, Al Copeland brought in James A. Flynn, marketing executive vice president of the Brown Shoe Co., St. Louis, as Popeyes president. Perhaps thinking that the principles of marketing shoes and fried chicken weren't terribly different, Copeland gave up the Popeyes presidency but remained chairman and focused continued efforts on Copeland's dinner houses, of which he is president.

Harris Cooper, former National Car Rental president who served 16 years as International Dairy Queen president and chief executive, resigned in November to develop a Telechef home delivery service joint venture that was 60 percent owned by Dairy Queen. IDQ vice chairman Michael Sullivan replaced Cooper as president. Just seven months later, Cooper was left with his own plans to establish a consulting business or head another food-service chain after Telechef failed because of "a lack of working capital."

Later in November Richard Goeglein "retired" at age 52 as president of the Holiday Corp. after gaming officials probed methods used to settle labor disputes at Harrah's Casinos, of which Goeglein earlier had been president. The gaming officials apparently exonerated him and renewed Harrah's license. Goeglein, who had been president of California food-service chains in the late 1960s and early 1970s and then a W.R. Grace executive vice president before joining Holiday as an executive vice president in the late 1970s, decided to "pursue personal interests."

That same month Mark Licata was ousted as president of Houston-based McFaddin Ventures after 10 months in the job. Founder-chairman Lance McFaddin reassumed the presidency in a severe tightening up as the McFaddin nightclub-restaurants were hit with a double whammy: declining liquor sales and an Oil Belt slump.

And Howard Davia dropped out as

EXECUTIVE SUITES SWITCHES (for past 12 months)

Name	Title	Company
OUT		
David Bennett	president	Morgan's Foods, Cleveland
Stanley Bresler	president	Bresler's, Chicago
Robert Bryant	ceo	Carson Pirie Scott food-service group, Chicago
Jeffrey Campbell	chairman	Pillsbury restaurant group, Minneapolis
Harris Cooper	president	Int'l Dairy Queen, Minneapolis
Kyle Craig	chairman	S&A Restaurant Corp., Dallas
Clyde Culp	president	Po Folks, Nashville
Howard Davis	president	Número Uno Pizza, Panorama City, Calif.
Donald Doyle	president	KFC-USA, Louisville
Richard Goeglein	president	Holiday Corp., Memphis, Tenn.
Michael Jenkins	president	T.G.I. Friday's, Dallas
Lewis Kilbourne	cfo	Brock Hotel Corp., Dallas
Chris Lesourd	president	Skipper's, Seattle
Mark Licata	president	McFaddin Ventures, Houston
C. James Lynch	fast-food director	Stop 'n Go, Houston
T. Mark McCall	president	Ryan's Family Steak Houses, Greer, S.C.
James Orr	president	Village Inns, Denver
Donald Pierce	president	Denny's, La Mirada, Calif.
John Radebaugh	cfo	Denny's
Ernest Renaud	president	Investors Mgt., Raleigh, N.C.
C.H. (Buzz) Roman	president	Church's, San Antonio, Texas
Walter Spear	cfo	Po Folks, Nashville, Tenn.
F. Joseph Spillman	chairman	Pizza Inn, Dallas
John Stafford	ceo	Pillsbury Co., Minneapolis
Eugene Stone	chairman	Skipper's
IN		
Stanley Bresler	president	Convenience Food Marts, Chicago
James Carter	president	Village Inns, Denver, Colo.
Steven Fellingham	president	KFC-USA, Louisville, Ky.
James Flynn	president	Popeyes, New Orleans, La.
Ron Gelet	president	Número Uno Pizza, Panorama City, Calif.
Fred Gonzales	president	JB's Restaurants, Salt Lake City, Utah
Everett Jefferson	president	Skipper's, Bellevue, Wash.
Lewis Kilbourne	cfo	Popeye's, Jefferson, La.
David Lasky	president	Bresler's, Des Plaines, Ill.
Jerry Levin	chairman	S&A Restaurant Corp., Dallas
Jim Liguori	acting president	Morgan's Foods, Cleveland
David McCracken	president	Pantera's Pizza, St. Louis
Lance McFaddin	president	McFaddin Ventures, Houston
Robert Nugent	president	Jack in the Box, San Diego
Charles Olcott	president	Burger King Corp., Miami, Fla.
Ronald Petty	president	Burger King-USA, Miami, Fla.
Donald Pierce	president	KFC-Int'l, Louisville, Ky.
Ernest Renaud	president	Church's, San Antonio, Texas
Jerry Richardson	president	Denny's, La Mirada, Calif.
Richard Rivera	president	T.G.I. Friday's, Dallas
Hal Smith	ceo	Chi-Chi's, Louisville, Ky.
Philip Smith	ceo	Pillsbury Co., Dallas
R.E. Smith	chairman	Pizza Inn, Dallas
Michael Sullivan	president	Int'l Dairy Queen, Minneapolis
John Theoharis	president	Po Folks, Nashville, Tenn.
Charles Way	president	Ryan's Family Steak Houses, Greer, S.C.

A multiplicity of executives and companies were involved in ousters, resignations, replacements, and hirings in the past year. The crazy-quilt pattern is dramatized by the fact that some executives and companies are on both the "out" list of those who departed and on the "in" list of those who started anew.

Source: NRN research

president of 60-unit Número Uno Pizza after 10 years at the helm. He became an executive in an oil-gas venture and in a franchising company. Ron Gelet, the chain's founder, owner, and chairman, took over the presidency.

In December Eugene Stone, Seattle-based Skipper's seafood chain long-time chairman and chief executive officer, and president Chris Lesourd were forced to resign. Stone's regime faltered when senior chairman Herbert Rosen and the board turned against him after he had established financial ties with Florida restaurateur Donald Perlyn. Everett "Jeff" Jefferson became Skipper's chief executive a few months later. He had been president of Straw Hat Pizza and International King's Table.

Clyde Culp, former Krystal executive, celebrated New Year's Eve by resigning as president and chief executive of Nashville, Tenn.-based Po Folks, a country cooking chain that lost its way and filed for Chapter 11. At the same time Walter Spear resigned as chief financial officer. A few weeks later John Theoharis moved up from Po Folks executive vice president and chief operating officer to president and chief executive officer.

January saw Robert Bryant, long-time chief of Dobbs Houses food service, step down as chief executive of Carson Pirie Scott's food-service and lodging group. He had been set to retire shortly at age 65, but Carson's sell-off of the contract-feeding operations (See EXECUTIVE, page F100)

FOCUS | TOP 100

MENUS DRIVE CHAINS' EVOLUTION

From fast feeders to dinner houses, menus begin to mirror the nation's independent restaurants by adding trendy regional and seasonal selections

By Ken Frydman

Decor, ambience, and service are still key factors, but new menu items are driving the evolution of all food-service industry segments—from fast food to casual theme to dinner house.

Even chains that have depended on the same core menus for years are now tinkering with different dishes. By diversifying their product lines—tacking tacos on to hamburgers and adding chicken sticks to prepackaged salads—multiunit restaurant operators hope to widen image appeal and expand customer group bases.

In many cases those new chain menus mirror the food trends and seasonal specials being popularized by the country's innovative independent restaurants.

Taking it from the top, McDonald's is testing a chicken fillet sandwich, a revamped McPizza item, breakfast tortes, and a regional steak biscuit sandwich.

The largest chain in the family restaurant segment, Denny's, dropped 25 percent of its menu items in July to refocus on "traditional" all-day, midscale dishes. Gone are pasta primavera and Dijon chicken; here to stay are evening staples like fried chicken and seafood items.

Another—albeit smaller—family restaurant chain, Perkins, is trying to upgrade its coffee-shop reputation with summer salads and a \$4-to-\$5.25 line of quarter-pound Frisco Melt sandwiches on sourdough bread.

Chili's is offering a wide-ranging list of items like shrimp fajitas, a children's burger, and the "Southwestern," an \$8.45 platter consisting of grilled marinated shrimp on a bed of spiced rice.

Chili's plans to complement the shrimp fajitas with its existing line of chicken and beef fajitas. Meanwhile, the \$1.95 burger and fries package expands the children's menu beyond hot dogs and grilled-cheese sandwiches.

Attempting to hone its perception among health-conscious fast-food customers, Hardee's recently rolled breast meat chicken sticks and switched over to vegetable oil for all its frying needs. The chicken sticks, along with prepackaged salads and ice cream, are designed to attract more women and children to the 3,100-unit hamburger chain.

Jack in the Box, which has introduced a chicken fajita pita and a line of finger foods, including egg rolls, chicken fingers, and shrimp, is at it again: Foodmaker's regional fast-food chain is currently testing taquitos, a Mexican finger food made of shredded beef rolled in a fried tortilla shell, a grilled chicken breast sandwich, and three varieties of breakfast pitas. Also as part of its "Serious Food that's Fun to Eat" promotion and advertising campaign, Jack in the Box has fine-tuned its prepackaged salad offerings by replacing a pasta seafood salad with a Mexican chicken salad.

As part of its latest menu promotion, Taco Bell is rolling out steak and chicken fajitas at lunch and dinner and will introduce a full breakfast menu next year.

Menu promotions are being relied on by Burger King as well. Recent short-term or regional new products include the "Big Cheese," a double hamburger with three types of cheese; the Wolf-brand chili cheeseburger; and the revival of the "Yumbo," a ham and cheese sandwich on a bun introduced in the 1970s.

Trying to stay competitive on the new product front with McDonald's and Burger King, Wendy's has rolled out a 2-ounce hamburger designed to attract younger patrons. The chain is currently testing a bacon and Swiss cheeseburger, a Philly Swiss burger and pizza and continues to rotate new products onto its superbar.

Another hamburger chain, West Coast-based Carl's Jr., is riding double-digit real sales growth and attracting health-conscious consumers thanks largely to new prepackaged salads, a low-calorie chicken club sandwich, and a more healthful version of its traditional California Roast Beef sandwich, now in test marketing.

What a burger is also moving beyond burgers with the test of a breakfast potato, cereal, a salad, and a dessert line. Meanwhile, Show-Biz Pizza Time's breakfast test includes pan-cakes, French toast sticks, cinna-

mon rolls, hash browns, and a biscuit sandwich with eggs, cheese, and a choice of sausage or bacon. And the IHOP Corp., parent company of the 475-unit International House of Pancakes chain, is using its 30th anniversary as a trigger for its new chicken breast sandwich and summer rollout of a different pancake concept.

Arby's and Fuddruckers are taking a different tack in the burger wars. Arby's "burger alternative" is a growing selection of new theme sandwiches, such as fajitas, chicken-fried steak, and Mexicali beef or chicken. Fuddruckers, known for its "gourmet burgers," has enlarged its menu to include breakfast items like cinnamon rolls and muffins, three salads, a fajita dinner, and chicken and fish sandwiches.

In the wide world of pizza, Pizza Hut expects record sales from its new hand-tossed traditional pizza, which falls in the product category between the chain's thick and crispy pie and the deep-dish Pan pizza.

Little Caesars' newest product, Pan! Pan! Pizza, was designed to go head-to-head with Pizza Hut's Pan Piz-

za product. Pan! Pan! Pizza—two for the price of one—is being supported by the chain's first network television advertising campaign.

Pizza Inn's two new menu items—a New York-style pizza and Pizzert, a dessert pizza—are helping the fourth-largest pizza chain grab additional market share.

Among casual theme concepts, Bennigan's is at the forefront of menu refinement. The 215-unit chain introduces new menu items three times a year, including lower price-point items like soup and salad combinations and pita sandwiches. But Bennigan's core sandwich and salad menu remain the same.

Even ice-cream store operators have joined the menu-expansion game. Bas-

kin-Robbins will add 20 flavors of soft-serve frozen yogurt to its 500 stores by year's end; Dairy Queen's newest products are a premium frozen novelty called the Chocolate Mountain Bar and the Homestyle Ultimate Burger.

In the trendy new products category, 260-unit Country Kitchen has rolled out "Stuffers," a less-than-\$4 line of French bread sandwiches containing pot roast, chicken pot pie, or barbecue meat fillings. Stuffers were succeeded by "Cool Stuffers," a summer season line of cantaloupe halves stuffed with either fruit salad, seafood and pasta salad, or chicken salad—which together have reportedly generated between 2 percent and 6 percent of sales. Country kitchen plans a fall rollout of a \$5 pot roast dish with carrots, potatoes, and onions.

Sandwiches are another key new menu item. Rax is broadening its customer base by building its lunch and dinner bar through a make-your-own mini-sandwich bar. And Grandy's, trying to solidify its position as a fast-food chicken chain, is rolling out chicken breast fillet and country-fried steak sandwiches.

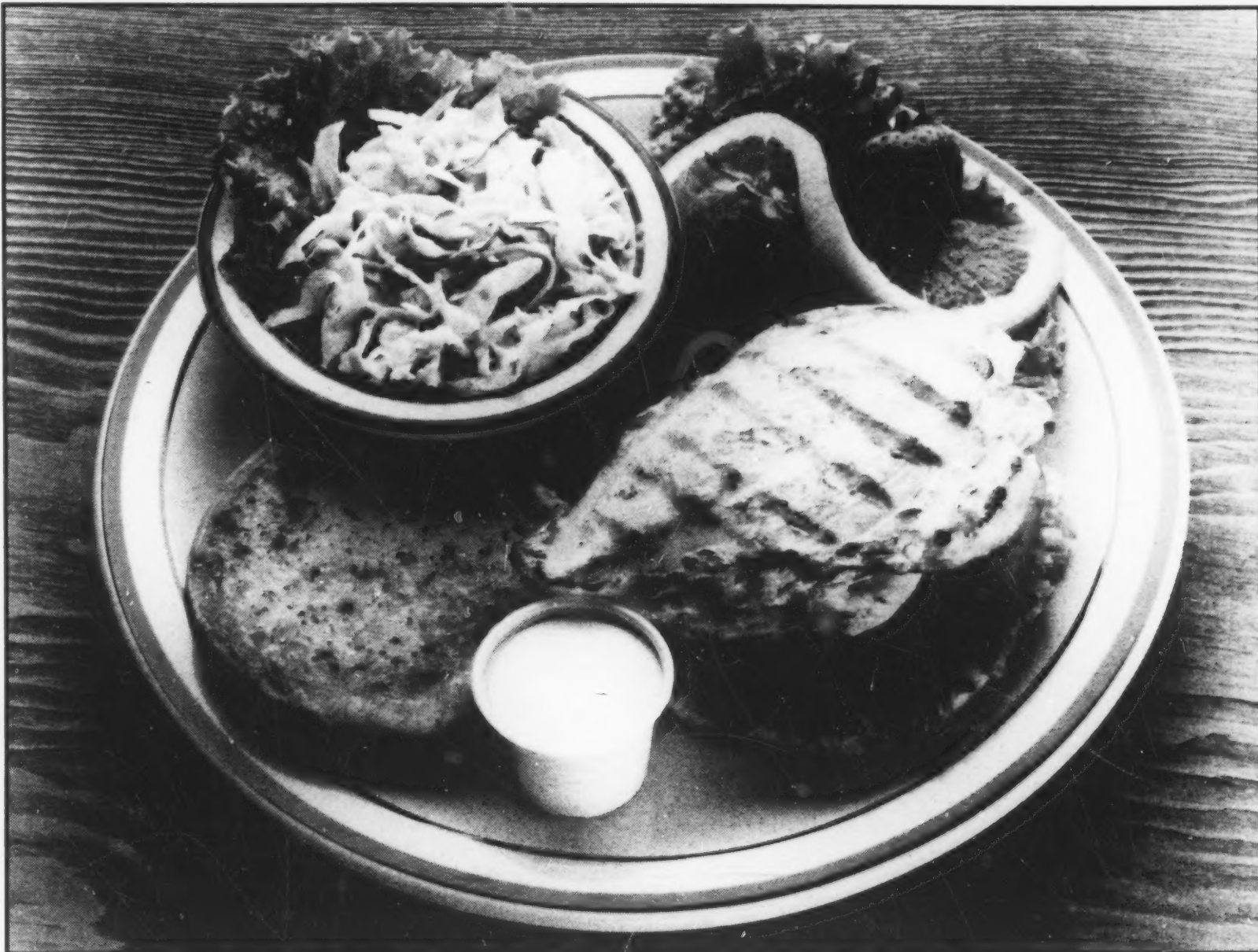
However, not all chains are rolling out new products. Like Denny's, some are in a menu retrenchment mode.

Kentucky Fried Chicken, reeling slightly from a mixed reaction to last year's Chicken Littles rollout, is testing larger, more cost-effective sandwiches.

Po' Folks has settled into a stabilization period, concentrating on the basic fried chicken, country-fried steak, and fried catfish it built its name on.

Steak and Ale, whose focus had moved away from its longtime meat-and-potatoes menu, has abandoned its contemporary varied menu and returned to traditional basics.

And the Brown Derby steak-house chain has back-burnered a seafood, chicken, and tapas concept to concentrate on its steak roots.



"Denny's Delightful" menu includes such items as boneless, skinless Grilled Chicken sandwich.



Chili's added shrimp fajitas to its menu offerings.

FOCUS | TOP 100

BELLY UP TO THE ALL-YOU-CAN-EAT BAR

Food bar pioneers expand on such innovative offerings as Mexican and Italian specialties in an effort to stay on top of the trend they initiated

By Peter J. Romeo

As slews of restaurant chains embrace all-you-can-eat food bars in a lunge for more traffic, early beneficiaries are striving to maintain the novelty of their spreads by experimenting with new and somewhat unusual offerings.

The trend is quickly erasing the boundaries between market segments, with burger chains experimenting with Chinese food, pizza purveyors hawking fried chicken, and red-meat specialists arming themselves with health-food bars.

That eagerness to cross over into new and thriving markets has already established Mexican and Italian specialties as food-bar standards, encroaching on what had been ethnic restaurants' exclusive turf.

Despite indications that the proliferation of food bars might be dampening their drawing power, the roster of chains offering the glutton's delights continues to grow at a rapid gait.

"People are almost expecting [a food bar] now; it's a way of life," says Fred P. Gonzales, president of JB's Restaurants, one of the first family restaurant operators to deploy food bars.

In recent months alone, Chi-Chi's, the Mexican dinner-house operator, has initiated tests of a 30-item "plaza buffet." General Mills' ailing York concept has dropped "Steakhouse" from its name in an attempt to reposition itself as a buffet concept. And Marriott has unveiled a new family restaurant called Allie's, which uses an all-you-can eat spread as a major drawing card.

Bonanza, which parlayed its salad bar into a hot-and-cold array early in the game, is launching two new versions. The chain has developed a new health-oriented buffet called The Lighter Fare, which features foods high in fiber and low in calories, sodium, and fats.

The chain recently told franchisees that new units and stores suitable for conversion will be outfitted with what amounts to a miniature food court called Freshtastiks Food Fare, with five separate food bars. In addition to Lighter Fare, the five stations will include buffets called Soups and Breads; Hot and Hearty, with appetizers and side dishes; Freshtastiks, the food bar Bonanza currently sports; and Desserts.

"This puts us in a unique position," says William Tate, who holds the Bonanza franchise for West Virginia. "People are really nervy. They'll actually come in and walk around before deciding if they'll stay to eat."

He explained that the proliferation of food bars has made consumers more choosy about where they plunk down cash for unlimited trips to the trough.

Jeff Rogers, USA Cafes president, said Lighter Fare would give people concerned with nutrition or who are on a salt- or cholesterol-restricted diet a "great reason to visit Bonanza."

Until recent years, the bars were wielded primarily by a few smorgasbord chains, such as Old Country Buffet, Duff's, and King's Table, and family steak-house chains like Bonanza, Ponderosa, Sizzler, and Ryan's.

Many of the latter chains embraced the concept as a turnaround vehicle.



Left: Jeff Rogers, president and chief executive officer at USA Cafes L.P., stands between the 'Lighter Fare' and 'Freshtastiks' food bars at the recent franchisee convention.



Above: Sizzler, one of the first chains to sport the food bar, continues to expand on the original concept.



Left: Wendy's Super Bar features Mexican and Italian specialties. The chain currently is testing the potential for Chinese food and pizza additions.

The effectiveness of the bar in that role drew the attention of Big Boy, Shoney's, and other coffee-shop chains.

Rax, the Columbus, Ohio-based fast feeder, saw food bars as a way to break out of the constraints of the traditional quick-service market.

Rax's success with what it calls the lunch-dinner bar did not go unnoticed by crosstown rival Wendy's, which last year launched an all-you-can-eat buffet called the Superbar as a key component of its turnaround effort.

Many chains that jumped on the bandwagon outfitted their spreads with Italian and Mexican fares, which are popular, easy to prepare, and inexpensive.

Ironically, one of the chains that refrained from putting pasta and Tex-Mex specialties on its bar was Ryan's, the Southeastern budget steak-house chain. The regional powerhouse drew enough patrons with the other hot entrées on its Megabar to post triple-digit sales and profit increases, making the company a Wall Street darling.

In recent months, however, Ryan's same-store sales have slipped, culminating in a 7.5-percent year-to-year drop in June. The decline precipitated the resignation of Ryan's young president, Mark McCall.

The chain and observers attributed the slippage to a 3-percent price hike and heightened competition resulting from the proliferation of food bars.

"Ryan's is suffering from some core customer fatigue," says Bryan Elliott of Robinson-Humphrey Co., the Atlanta brokerage.

"We've had a loss of repeat business, and there's less disposable income and more competition," McCall commented before stepping down.

Ryan's recently added Mexican and Italian specialties to its bar and is converting the spread to a breakfast buffet on weekend mornings.

Other chains have reached farther afield in their search for new products for their food bars.

The Wendy's hamburger chain, for instance, is testing the viability of putting Chinese food and pizza on its new Megabar, the hot-and-cold buffet that is still being rolled systemwide. The bar currently features salad fixings, Mexican finger foods, pastas, and top-your-own baked potatoes.

In a bid to boost traffic this summer, Rax recently added a make-your-own-miniature-sandwiches station to the lunchtime version of its bar. Several new cold pasta items were added to the

dinner array.

Sizzler, a pioneer of the food bar, is continuing to expand its buffet. The chain recently added a soup station and is contemplating an ice-cream bar.

As part of an attempt to update its image, the Shakey's pizza chain has expanded its salad bar into a full lunch and dinner buffet, complete with marinated fried chicken, fruits, potatoes, and pizza crusts.

A Pizza Hut franchisee in San Antonio, Texas, is featuring an all-you-can-eat, \$3.99 luncheon buffet during weekdays and a dinner array on Tuesday nights. Featured are pizza, pasta, garlic bread, and salad fixings.

Ponderosa, a competitor of Sizzler, Bonanza, and Ryan's, recently added a new 80-item food bar stocked with clam strips, chicken wings, popcorn shrimp, and other appetizers. The Grand Buffet is a complement to the chain's earlier buffet, which includes pasta, soups, chili, fruits, and salads.

Western Sizzlin', a competitor of Ryan's and the other budget steak-house chains, is trying to differentiate its bar from the rest of the pack by stocking it with such regional specialties as turnip greens. Chicken entrées and home-style desserts are also featured.

FOCUS TOP 100

BIG 4 EMERGE

LBOs, mergers produce conglomerates

By Richard Martin

Leveraged-buyout fever and merger mania reshaped the food-service industry over the last few years and produced at least four new restaurant conglomerates that defy comprehension because of their size, diversity, and sudden genesis under new corporate names.

Those four companies are American Restaurant Group, Paragon Restaurant Group, Restaurant Enterprises Group, and TW Services. All the outfits (with the exception of TW Services) are privately owned, instead of being arms of publicly traded

Paragon Restaurant Group

San Diego
Annual sales: \$233 million
Number of units: 105
Main concepts: Rusty Pelican, Carlos Murphy's, Boathouse, and Hungry Hunter

corporations, as they were in their former incarnations.

One way to grasp the scope of those companies is through brief histories, references to their former ownerships and identities, and thumbnail listings of their chain holdings.

- American Restaurant Group, based in Newport Beach, Calif. and with estimated annual sales of \$550 million, comprises the former Saga Corp. restaurant group (the Grandy's, Stuart Anderson's Black Angus, Velvet Turtle, Spectrum Foods, and Spoons Grill & Bar chains).

Three hundred sixty-unit ARG was formed in 1986 by former W.R. Grace restaurants chief executive Anwar So-

TW Services

New York
Annual sales: \$3.5 billion
Number of units: 2,595 plus 1,700 contracts
Main concepts: Denny's, Winchell's, El Pollo Loco, Canteen Corp. (contract feeder), Spartan Foods (Hardee's franchisee), and Quincy's Family Steak Houses

liman and his partners, who paid an estimated \$275 million to buy the group from Marriott Corp. upon its acquisition of Saga (Marriott coveted only Saga's extensive contract food-service operations). ARG is owned principally by chairman and chief executive Solomon; Ralph Roberts, president and chief operating officer; William McCaffrey, chief financial officer; John Ghuzzi, development vice president; Harold Fox, finance vice president; and William Partridge, purchasing-distribution vice president.

- Paragon Restaurant Group, based in San Diego and with estimated annual sales of \$233 million, is essentially the former Vicorp Specialty Restaurants subsidiary of Denver-based Vicorp Inc. plus the recently acquired Rusty Pelican seafood dinner-house chain.

Paragon Restaurant Group, with a total of 105 restaurants, still largely comprises the dinner-house chains

(Hungry Hunter, Mountain Jack's, Boathouse, and Carlos Murphy's) of Foodmaker Inc.'s old Continental Restaurant Systems division, which Vicorp bought in 1984.

PRG, which adopted its current name last year, was formed in 1986 when former Vicorp chairman Gordon Miles and top management of the San Diego company paid Vicorp \$112.5 million for the then-87-unit group. PRG bought the 22-unit Rusty Pelican chain last November for \$25.6 million.

PRG's senior management includes chairman and chief executive Miles; Thomas Doan, the 17-year-veteran president and chief operating officer of the group; Alan Binder, vice president and finance chief; Steven Wittert, operations vice president; William Seckinger, marketing vice president; and Anthony Zolezzi, purchasing-distribution vice president.

- Restaurant Enterprises Group (See **BIG FOUR**, page F100)

American Restaurant Group

Newport Beach, Calif.
Annual sales: \$550 million
Number of units: 360
Main concepts: Grandy's, Stuart Anderson's Black Angus, Velvet Turtle, Spectrum Foods dinner houses, and Spoons Grill & Bar

Restaurant Enterprises Group Inc.

Irvine, Calif.
Annual sales: \$1.2 billion
Number of units: 700
Main concepts: Houlihan's, El Torito, Carrow's, Coco's, Darryl's, Baxter's, Gladstone's 4 Fish, and Las Brisas

DECLINING DOLLAR GOOD FORTUNE FOR CHAINS OPERATING ABROAD

By Rick Van Warner

Although the declining value of the U.S. dollar in global currency markets over the past couple of years has spelled trouble for the national economy, some American chain restaurateurs operating abroad have actually benefited from the phenomenon.

Cashing in on favorable exchange rates, those operators have reported record earnings and sales from their international operations.

McDonald's, the international leader in systemwide sales volume, with \$3.75 billion in fiscal 1987, says better exchange rates than those of 1986 added about \$372 million to its sales total.

Of that number, \$134 million was a result of the stronger Japanese Yen vs. the U.S. dollar.

International operations at McDonald's, which consist of about 2,570 restaurants in 49 countries, accounted for



A McDonald's unit in Paris.

26 percent of the company's systemwide sales, 30 percent of revenue, and 24 percent of profits in 1987.

Kentucky Fried Chicken, which is the leader in worldwide presence, with

about 2,875 stores in 56 foreign countries, also has benefited from the battered dollar.

KFC posted international systemwide sales of about \$1.4 billion in fiscal 1987.

"The effect of the weakened dollar has been positive, but there's been real growth as well," says spokesman Gregg Reynolds.

"We're in a fortuitous position in that we've posted record international sales and profits every year of this decade."

Although favorable exchange rates have buoyed sales, the effect on profits appears to be less significant.

"Two to three percent of our international sales [in 1987] were impacted by the weaker dollar," McDonald's chief financial officer, Jack Greenberg, said at the company's annual meeting, "but there was a much smaller effect on earnings. In some startup countries we're still losing rather than making money."

In addition, the overall impact of the



Kentucky Fried Chicken in Japan.

devalued dollar on overseas operations depends on where the restaurants are concentrated.

Although McDonald's and Kentucky Fried Chicken benefit from the strong Yen in Japan, both also have many stores in countries such as Canada and Australia, where the dollar has been stronger.

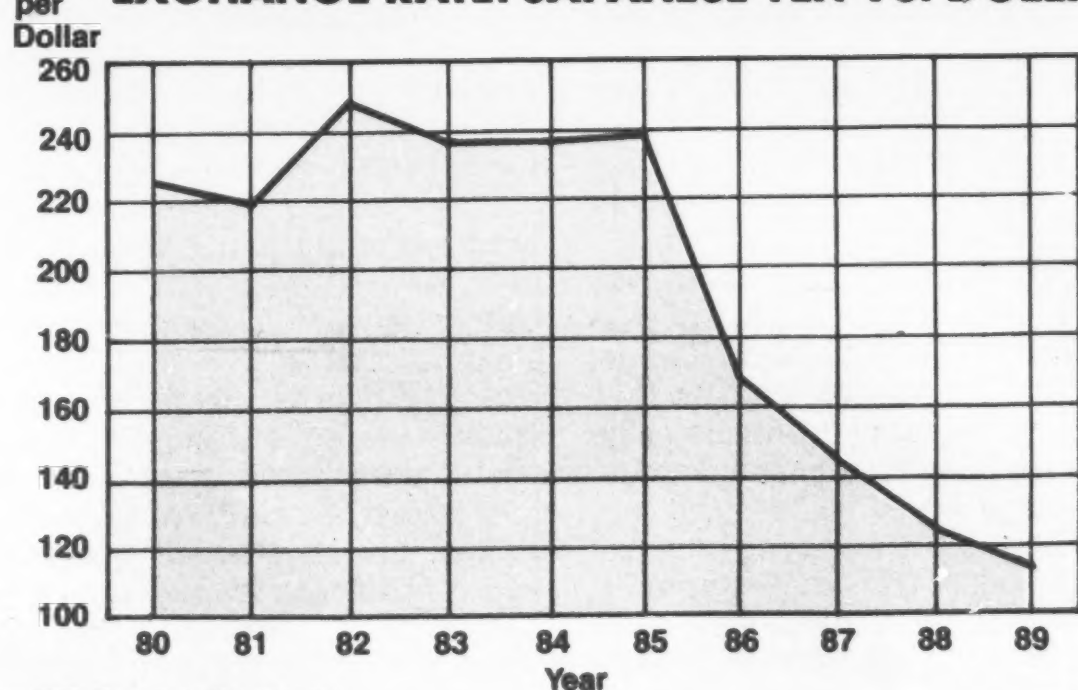
"We have a lot of units in Canada and Australia, where the currency is stable," Greenberg said. "That has mitigated the effects."

And it remains unclear precisely how much effect the devalued dollar has really had on the international operations of national restaurant chains. In some cases the devaluation may simply serve as a tool for companies to brighten their results.

"It doesn't mean anything to them in terms of operations," says analyst Jay Freedman of Kidder, Peabody, New York. "They still pay for labor and supplies locally."

"The bottom line is that it doesn't really make much difference."

EXCHANGE RATE: JAPANESE YEN VS. DOLLAR



Source: U.S. Commerce Department

FOCUS | TOP 100

IN SEARCH OF LABOR SOLUTIONS

The labor pool drought has driven companies to seek out new labor sources by offering workers of benefits and incentives to make jobs more appealing

By Bill Carlino

Beset by skyrocketing turnover and a widening labor shortage, restaurant operators nationwide search for solutions to successfully recruit and retain employees.

"Within the last three to four years, the industry labor shortage has reached what can be accurately called crises proportions," says F. Lane Cardwell, vice president of strategic planning for the S&A Restaurant Group. The Dallas-based corporation operates 208 Bennigan's and 168 Steak and Ale restaurants. "And it has hurt both independent and chain operators," he adds.

Eating and drinking places currently operate with a deficit of 200,000 employees, according to results of a recent National Restaurant Association-commissioned Gallup Poll. Experts predict that at peak volume periods, the employee drought might top one-quarter of a million workers.

"The labor pipeline in the industry is drying up, and it's getting worse," says Marvin Saul, the owner of Junior's, a \$6 million deli operation in Los Angeles. "When you have a low national unemployment figure, as we do now, restaurants are usually the first ones affected by a labor shortage."

Numbers supplied by the Bureau of Labor Statistics show that 6 million people were employed in eating and drinking establishments last year, representing 6 percent of total employment. Ironically, it was the highest total ever.

Median crew turnover for the industry hovers at 250 percent, while management turnover is rapidly approaching 50 percent.

"High turnover and continual rehiring bog any operation down," Cardwell says. "Many hourly positions are being price-pressured to stay competitive with higher-paying markets, and because of the increase in the number of restaurants, employees have a greater choice of where they want to work."

With one of the lowest national averages in the hourly wage, at \$4.41, restaurants are hard-pressed to vie for the current labor pool. The average hourly wage for the restaurant industry rose just six cents from 1986 to 1987.

It is estimated that hiring an entry-level manager or hourly employee who

SURVEY OF WAGES FOR HOURLY FOOD-SERVICE EMPLOYEES

(Median hourly wage in dollars)

Chef	\$8.35
Cook	5.25
Baker	5.04
Assistant cook	4.75
Bartender	4.60
Janitor/porter	4.50
Short-order cook	4.50
Host/hostess	4.25
Cafeteria server	4.25
Salad prep	4.25
Cashier	4.25
Fast-food counter workers	3.85
Dishwasher	3.75
Busperson	3.42
Waiter/waitress	2.50

Note: For tipped employees, survey data represents cash wage excluding gratuities.

Source: National Restaurant Association

1987 AVERAGE HOURLY EARNINGS FOR NONSUPERVISORY EMPLOYEES

Banks	\$7.50
Grocery stores	7.11
Food stores	6.95
Department stores	6.80
General merchandise stores	6.48
Laundry and cleaning	6.14
Hotels and motels	6.12
Drugstores	5.86
Bakeries	5.61
Apparel stores	5.57
Gas stations	5.51
Variety stores	4.81
RESTAURANTS	4.41

Source: Bureau of Labor Statistics

does not work out can cost an operation up to \$10,000 in wasted training, insurance, and productivity. Half of employee separations occur within the initial 30 days of hire.

"A priority challenge is presenting food service as a viable career path," says Tom Mirgon, Eastern zone director of human resources for Taco Bell. "Traditionally, ours has lagged far behind other businesses in regard to wages, benefits, and upward mobility. Many times people work in restaurants while they wait for better-paying jobs to come through."

Although their operations may differ, industry executives agree that motivation and incentive techniques are vital for hiring and retaining both unit-level management and hourly workers.

Restaurateurs have had to expand standard benefits packages to include profit sharing, performance bonuses, child-care allowance, paid sick leave, English language classes, and educational scholarships.

Dan Treirweiler, owner of 23 Burger King franchises in western Michigan, slashed a crew turnover average of 300 percent by offering free child care for mothers working in hourly positions and \$2,500 in college tuition reimbursement for students.

New York McDonald's franchisee Pete Samaha bypassed the traditional minimum wage as a beginning pay scale and tailored employee incentive programs to meet the needs of his work force demographics.

"We start crew workers immediately at \$4 to \$4.25 an hour plus paid vacations and flexible hours if they need it," Samaha says. "We had workers who lived in the city and traveled to the suburbs, so we offered free train and bus fare."

While the amount of latitude in regard to hiring may vary with each operation, several companies have sought the services of the Job Service and Private Industry Council to assist in the search for employees. A number of operators have even resurrected

older recruiting methods, such as tray liners and bulletin board posters.

The 3,800-unit Wendy's is currently offering cash rewards up to \$50 to both employees who recommend workers who are hired and to the recruited workers themselves in addition to upgrading and expediting health benefits and insurance to the employees.

However, the teen-age work force, once a staple of the restaurant industry, is rapidly dwindling. By 1992 it is estimated that 1.5 million fewer teens will be employed in restaurants.

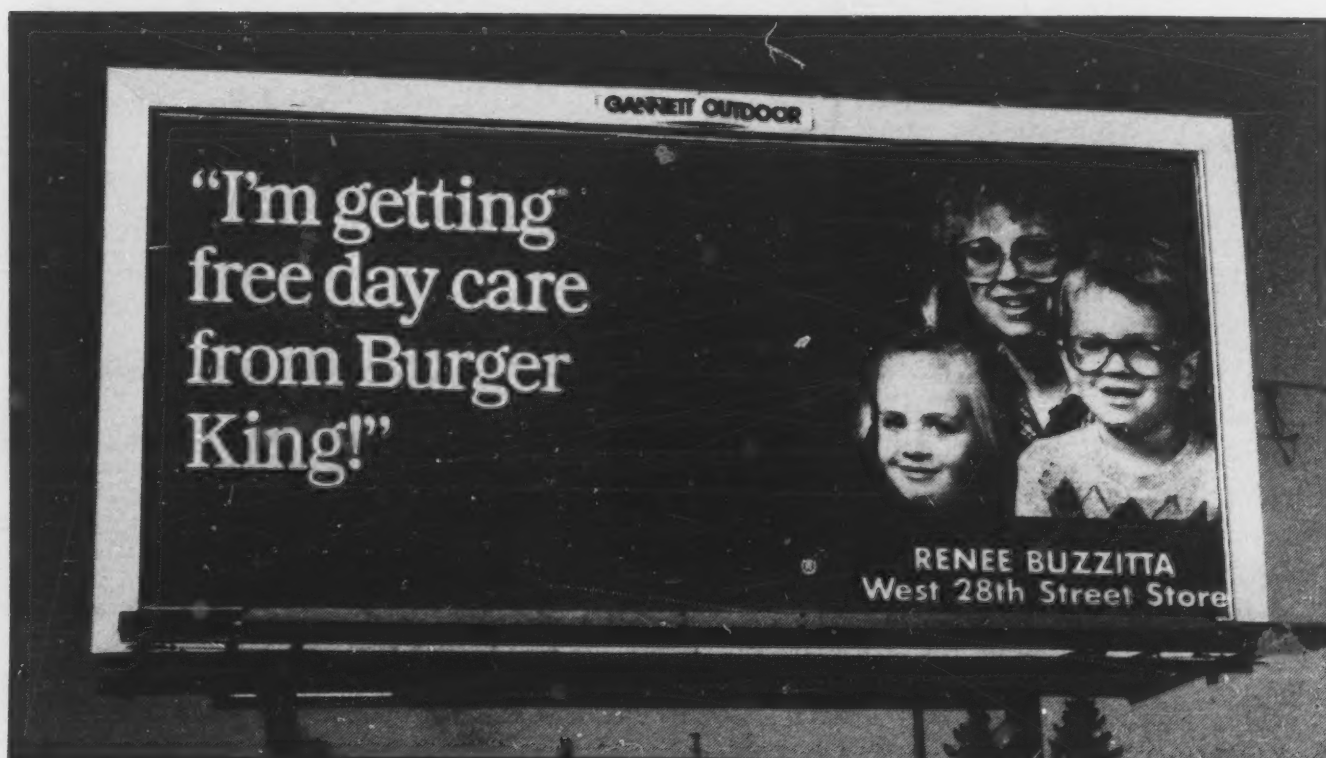
To combat that vacuum, operators like Treirweiler have successfully tapped the working-mother segment, while others prefer to hire more mature employees and, in some cases, senior citizens looking for part-time work.

As a hedge against management turnover, chains like the French-bakery concept Au Bon Pain and Golden Corral Steakhouse have increased sales and trimmed turnover by instituting partner-manager programs. With that program, unit managers can earn up to 50 percent of total profits exceeding the store's annual projected revenue.

Spawned by Kentucky Fried Chicken franchisee Leon Harman in 1958, the partner-manager concept is based on the theory that a part-owner will work harder than an employee.

As a result of the partner-manager system, Au Bon Pain, which two years ago was plagued with a 40-percent management turnover, now boasts a voluntary management turnover of less than 5 percent, and it has hiked sales 24 percent.

"Today's labor market is basically a supply-demand relationship," one independent operator laments. "The quality of your crew and management is generally contingent on what the operation has to offer. You really do get what you pay for."



A Burger King billboard ad aims toward recruiting working mothers.

Restaurateurs have had to expand standard benefits packages to include profit sharing, performance bonuses, child-care allowance, paid sick leave, English language classes, and educational scholarships.

FOCUS TOP 100

THE TOP 100 CHAINS



McDonald's opened its 10,000th unit in Dale City, Va., last April.

The world's largest restaurant chain is expanding its presence around the globe, with 40 percent of the 550 units it plans to open this year slated for foreign soil. McDonald's will break new ground in the Soviet Union, Yugoslavia, Hungary, and South Korea.

1

Chain: McDonald's
Headquarters: Oak Brook, Ill.
Annual sales: \$15.8 billion
Sales per unit: \$1.6 million
Number of units: 10,420

Industry leader McDonald's, striving to keep sales humming and maintain its string of successful new product introductions, is testing a chicken fillet sandwich, a revamped McPizza item, breakfast tortes, and regional offerings including a steak biscuit sandwich.

Meanwhile, the world's largest restaurant chain is expanding its presence around the globe, with 40 percent of the 550 units it plans to open this year slated for foreign soil. McDonald's will break new ground in the Soviet Union, Yugoslavia, Hungary, and South Korea.

And keeping one eye on the future, McDonald's is enhancing its restaurants to provide maximum labor efficiency. New equipment includes a clamshell grill, which reduces cooking times; a mini-computer, which reduces the time managers must spend in the office; and a high-speed toaster.

2

Chain: Burger King
Headquarters: Miami
Annual sales: \$5.3 billion
Sales per unit: \$1 million
Number of units: 5,600

At the same time Burger King is deploying limited-time and regional menu promotions in attempts to stimulate excitement in its stores, it is receiving positive feedback from the "We do it like you do it" advertising campaign. It is arguably the chain's best advertising effort since the infamous "Battle of the Burgers" commercials aired early in the decade.

The nation's No. 2 hamburger chain is banking that its rejuvenated marketing program will lift it out of the doldrums. Until recently, Burger King has suffered through three consecutive years of flat sales, which have been blamed largely on lackluster advertising.

Recent short-term or regional promotions include the "Big Cheese," a double hamburger with three types of cheese; the Wolf brand chili cheeseburger; the revival of the Yumbo, a ham and cheese sandwich on a bun that was first introduced in the 1970s; and stuffed Alf characters from the popular television series.

3

Chain: Kentucky Fried Chicken
Headquarters: Louisville, Ky.
Annual sales: \$4.3 billion
Sales per unit: \$672,000
Number of units: 7,800
Average per-person check: \$5.15

Kentucky Fried Chicken's rollout of Chicken Littles last year continues to draw mixed reaction. Many franchisees complain that the sandwiches narrow margins and raise labor and equipment costs, while the chain reports sales gains, especially at lunch.

Meanwhile, KFC is testing larger, more cost-effective sandwiches, and company stores are returning some higher-priced sandwiches to menu boards after having removed them to make way for Chicken Littles. Home delivery tests in several cities are also continuing, as is an image-updating refurbishment program.

With the successful opening of the first quick-service restaurant in the

People's Republic of China last fall, KFC is expecting "long-term" further expansion there.

4

Chain: Hardee's
Headquarters: Rocky Mount, N.C.
Annual sales: \$3.3 billion
Sales per unit: \$930,000
Number of units: 3,000

Hardee's has rolled out breast-meat chicken sticks and switched over to vegetable oil for all of its frying needs in a continuing effort to broaden its customer base and enhance its image among health-conscious patrons.

Chicken Stix, along with prepackaged salads and ice cream, which were introduced several months ago, have greatly helped the hamburger chain broaden its appeal, particularly among women and children. At the same time, Hardee's is promoting its use of vegetable oil—most of its principal competitors still use animal fat—through in-store merchandising and advertising. Menu items with nutritional benefits are also included in an arsenal of test products.

Meanwhile, Hardee's has revived its successful California raisins campaign as it continues to deploy premium promotions instead of discounting.

5

Chain: Wendy's
Headquarters: Dublin, Ohio
Annual sales: \$3 billion
Sales per unit: \$780,000
Number of units: 3,950

Led by its rejuvenated "Hamburger A" advertising campaign and its fledgling Superbar, a hot and cold buffet, Wendy's is showing signs of life after two years of dismal results.

Having completed a back-to-basics drive that included slashing corporate overhead, reformulating its hamburger, and updating its image through new uniforms and brighter unit interiors, the hamburger chain is now focusing on ways to reduce service times. Wendy's is also looking at ways to enhance its drive-thru operation, including a separate "fast lane" ordering kiosk, headsets, and timers.

A 30-second service guarantee has been tested in some markets.

On the product front, Wendy's is rolling out a 2-ounce hamburger designed to attract younger patrons, and the fast feeder continues to rotate new products onto its Superbar. Test products include a bacon and Swiss cheese hamburger, a Philly Swiss hamburger, and pizza.

6

Chain: Pizza Hut
Headquarters: Wichita, Kan.
Annual sales: \$3 billion
Sales per unit: \$540,000
Number of units: 5,900
Average per-person check: \$10.50

Hailing the launch of Hand-Tossed Traditional pizza as one of the most important in its 30-year history, Pizza Hut expects record sales from the new product, which is being supported by a major advertising blitz. The New York-style pizza is targeted at the heavy pizza user and falls in the product category between the chain's thin and crispy pie and the deep-dish Pan pizza.

Meanwhile, Pizza Hut continues to expand its delivery operations, expecting to have some 1,800 delivery locations by year's end, either restaurant

based or delivery-only units.

The chain is also making service a priority. It is gearing up operationally to meet higher service standards and at the same time is giving awards to employees for "legendary" service.

7

Chain: Domino's Pizza
Headquarters: Ann Arbor, Mich.
Annual sales: \$2.3 billion
Sales per unit: \$439,000
Number of units: 4,700
Average per-person check: \$10.80

Domino's Pizza, known for its 30-minute delivery guarantees, now is touting product guarantees as well. Reacting to consumer complaints about the quality of pizza, the chain claims to have made an improvement and is backing it up with a guarantee.

The breakneck growth rate at Domino's has slowed; now it is striving to maintain "consistent growth," both on a domestic and international front.

The delivery-only chain plans to crack the tough New York City market with 40 openings by the end of 1989.

8

Chain: Dairy Queen
Headquarters: Minneapolis
Annual sales: \$2.0 billion
Sales per unit: \$401,250
Number of units: 5,080
Average per-person check: \$2.30

Buoyed by new product sales and expansion of its twinning program, Dairy Queen expects sales to top \$2 billion in 1988.

So far this year, the chain has added four Treat Centers, which combine International Dairy Queen Inc. concepts of Dairy Queen, Karmelkorn Shoppes, and Orange Julius, to its seven existing Treat Centers. And Dairy Queen plans to add at least three more in 1988.

Dairy Queen's newest products include its premium frozen novelty, the Chocolate Mountain Bar, and its signature Homestyle Ultimate Burger.

9

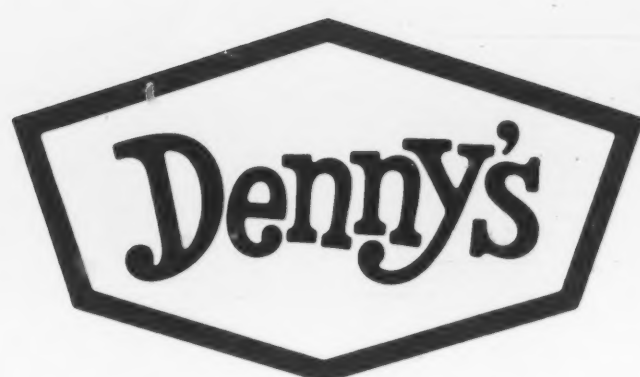
Chain: Marriott Food & Services Management
Headquarters: Bethesda, Md.
Annual sales: \$1.9 billion
Sales per contract: \$969,990
Number of contracts: 1,956

Marriott Food & Services Management's full integration of the accounts acquired with Saga Corp. in 1986 should enable the contractor to quickly parlay its national presence into new business, some analysts say.

Michael G. Mueller, of Montgomery Securities in San Francisco, says the Marriott division could realize "a rapid amount of new account growth" just by filling in markets where it now operates. The company projected an account growth rate of about 3 percent for 1988, saying it expects to net about 60 new contracts, and said the integration of Saga accounts in 1987 resulted in "substantial administrative and procurement cost reductions."

Marriott has reportedly vowed to do a better job of "monitoring" customer satisfaction to avoid "big surprises" in the form of lost business at account review time. And analyst John J. Rohs, of Wertheim Schroder & Co., says he was encouraged by Marriott's plans to open more of its branded fast-food concepts in contract venues because the name recognition of the branded operations often boosts sales per square foot.

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'Our mood is very optimistic, and there's a renewed team spirit here,' says a member of Denny's pared-back executive staff.



Arby's adds such 'non-burger' items as the Philly Beef 'n Swiss and the Fish Fillet to its diversified line.

Constantly testing and adding new products to its menu, Arby's is bolstering its position as the chain with an alternative to burgers.

10

Chain: Taco Bell
Headquarters: Irvine, Calif.
Annual sales: \$1.7 billion
Sales per unit: \$636,463
Number of units: 2,726
Per-person check average: \$3.28

Taco Bell is getting ready to introduce a full breakfast menu next year as part of Project 300, an ongoing sales drive which has included lunch and dinner rollouts of steak fajitas and other products.

Project 300 was designed to boost per-store sales by \$100,000 in annual increments. Among the new products Taco Bell is adding to its menu this year are a 99-cent Mexi-melt sandwich (ground beef, pico sauce, and Cheddar sauce in a flour tortilla) and chicken fajitas (available, for an extra charge, with sour cream or guacamole).

Parent PepsiCo cited year-to-year declines in Taco Bell's operating profits in an explanation of the conglomerate's second-quarter results. PepsiCo said it hopes to add another 1,000 units to the 2,726-unit Taco Bell chain by 1990.

11

Chain: Sheraton Hotels
Headquarters: Boston
Sales: \$1.5 billion
Sales per unit: \$3.1 million
Number of units: 479

In 1988 Sheraton's International Hotels Division opened the 782-room Disneyland Park hotel in Tokyo, while domestically construction is under way on a 1,500-room property at Florida's Epcot Center.

In New York Sheraton's landmark St. Regis property will close operations for one year as the 86-year-old hotel undergoes total renovation.

Currently in progress in nearly 100 domestic properties is the Culinary Festival Promotion. Participating Sheraton hotel restaurants are offering customers dishes just like those that will be entered in October's Culinary Olympics in Frankfurt, Germany.

12

Chain: ARA Services
Headquarters: Philadelphia
Annual sales: \$1.3 billion
Sales Per Unit (Contract): \$723,526
Number of Units (Contract): 1,730

ARA Services will go for its third promotional gold medal in a year this September when it provides food-service management advice to South Korea during the Summer Olympic Games in Seoul.

In addition to managing the contractors from Korea and other countries who will feed the athletes and spectators, ARA itself will be a contractor during the games. Spokesman John Gribbin says ARA will provide food and beverages to up to 1,200 NBC network employees and to the 7,000 people expected to stay or work in the press and youth "villages."

ARA managed food-service operations during the Pan American Games in Indianapolis in 1987 and the Winter Olympic Games in Calgary, Alberta, Canada, earlier this year.

The company does not always make money on international amateur athletic events but takes part, president Joseph Neubauer has said, because it supports athletics and because the games build employee morale and a

positive corporate image. Olympic-themed promotions have been used in the past at many ARA accounts. Although declining to comment on the matter, the ARA executives who took the firm private in late 1984 reportedly recently offered an interest in the company to a group of middle managers.

13

Chain: Denny's
Headquarters: La Mirada, Calif.
Annual sales: \$1.3 billion
Sales per unit: \$1.1 million
Number of units: 1,210

Denny's, the largest chain in the family restaurant segment, jettisoned nearly 25 percent of its menu items in July and curtailed its flirtation with fancier, trendier dinner fare as part of a drive to accelerate service and refocus on "traditional" all-day, midscale attractions.

Typifying the chain's menu-marketing thrust are a "cross-day part" summer promotion of chicken-fried steak—in a breakfast combo (\$3.59), a sandwich (\$3.79), and a dinner (\$4.99)—and the chain's continuing seasonal reliance on the long-popular Grand Slam Breakfast. Through its new menu Denny's has "pared back our dinner selections [such as pasta primavera and Dijon chicken] while maintaining a strong offering" of such evening staples as fried chicken, steak, and seafood dishes, according to Sue Henderson, advertising and promotion vice president.

Following a rash of high-level executive turnovers, staff layoffs, and other cost-cutting moves by new parent company TW Services, Denny's has generated improved operating margins and intensified its drive to franchise a less costly restaurant prototype. "Our mood is very optimistic, and there's a renewed team spirit here," says a member of Denny's pared-down executive staff.

14

Chain: Arby's
Headquarters: Atlanta
Annual sales: \$1.1 billion
Sales per unit: \$650,000
Number of units: 2,100
Average per-person check: \$2.62

Constantly testing and adding new products to its menu, Arby's is bolstering its position as the chain with an alternative to burgers. "The Revolution," a new advertising campaign that is an extension of the earlier "Taste the Difference" campaign, emphasizes the theme and touts Arby's growing selection of non-burger sandwiches.

Several new theme sandwiches that are now being tested, including fajitas, chicken-fried steak, and the Mexicali beef and chicken sandwiches, may serve to boost the chain's average guest check. Arby's continues to deploy short-term menu promotions.

In other activities, Arby's has expanded its toll-free customer hot-line program to all of its company stores, it has opened three modular units in the Phoenix, Ariz., area, and it has rolled two mobile restaurants and is continuing to explore alternative sites, including gas stations, military bases, hospitals, and toll roads. In addition, some units have added self-contained desert kiosks called Flour Pots, which sell cookies and other baked goods. A credit card program is being tested in other stores.

15

Chain: Big Boy
Headquarters: Warren, Mich.
Annual sales: \$1 billion
Sales per unit: \$1.1 million
Number of units: 960

"Refranchising" is the near-term goal of the Big Boy family-restaurant chain. It intends to fill regional vacuums that will be created by Utah-based JB's Restaurants' Oct. 1 severance of its Big Boy franchise ties and by ex-franchisor Marriott Corp.'s proposed conversion of its Southern California Bob's Big Boys to the new Allie's concept.

"We'd be crazy not to fill those voids; they're excellent markets," says an insider at Warren-based Elias Bros. Restaurants, a large Big Boy group operator and the concept's new franchisor. "We're stagnating, and we've got to give our people the opportunity to expand."

New Western states franchising pacts could be signed before the end of 1988, an Elias Bros. source indicated. The territories of existing licensees have also been expanded. Another Elias priority is the brand unification of the Big Boy system that will remain after the abrupt pullout of 110-unit JB's and the phased exit of Marriott's 200-unit group. Elias' systemwide goal is to standardize menus, store signage, and logos, deleting the names of regional franchise companies that currently precede the "Big Boy" brand name.

Big Boy's under-\$9 food bar promotions—which save on labor and provide instant gratification for patrons conditioned by fast-food concepts—would continue to be emphasized under Elias' leadership, a company official said. Touting Elias' differences from Marriott in terms of relative size and dedication to Big Boy, a company official says Elias will "get involved" with franchisees and "customize" marketing programs for them.

16

Chain: Marriott In-Filte Services (airline catering)/Host (airport concessions)
Headquarters: Bethesda, Md.
Annual sales: \$1 billion
Sales per flight kitchen and airport concession: \$9.4 million
Number of flight kitchens and airport concessions: 108

Trying to liven up the "institutional" ambience of most airport lounges, Host, the airport concessions arm of Marriott Corp., has converted about 80 watering holes at 20 airfields into sports-entertainment bars serving pizza, nachos, hot dogs, and beverages and featuring a theme package with team pennants and photos, memorabilia of local teams, and upgraded audio and video systems.

Host decided to give the one-theme approach a try, according to Kenneth Smith, the concessionaire's vice president of planning and business development, after "looking at what is currently viable and trendy on the street and saying to ourselves, 'The airport customer shouldn't be any different' [from other consumers]."

Host's development of contemporary concepts, such as the new sports-entertainment bars and its Fresh Express Cafe, which started out as a glitzy exhibition-cooking food court but is now being tested in a variety of down-scaled configurations, is apparently a response to pressure on the division's bottom line.

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17

Chain: Red Lobster
Headquarters: Orlando, Fla.
Annual sales: \$1 billion
Sales per unit: \$2.6 million
Number of units: 400
Average per-person check: \$11

With seafood enjoying increased popularity, Red Lobster finds itself with 1988 per-store sales up \$100,000 compared with fiscal 1987 results and customer counts rising 7 percent in the last two years. "Seafood promotions have heightened our value perception," Red Lobster spokesman Dick Monroe says of the 400-unit chain's \$8.95 shrimp, crab, and lobster festivals.

Red Lobster has completed remodeling its stores—painting, sprucing up the awnings, putting up new signage, and installing new windows and adding fabric tablecloths. "Basically we've lightened things up and aired them out by freshening the accoutrements," Monroe said.

By early fall the 26 Seafood Broilers acquired last year will be converted into Red Lobsters, according to Monroe. The stores are located in suburban Los Angeles, San Diego, and San Francisco.



Waiter at Red Lobster serves customer one of the variety of seafood specials the chain features.

18

Chain: Little Caesars Pizza
Headquarters: Farmington Hills, Mich.
Annual sales: \$1 billion
Sales per unit: \$421,000
Number of units: 2,375

With 30 percent more units, a new pan-style pizza on its menu, and a national advertising blitz on the airwaves, Little Caesars' take-out-only strategy is expected to deliver sales of \$1 billion this year.

Little Caesars developed its newest product, Pan! Pan! Pizza, to go head-to-head with Pizza Hut's blockbuster Pan Pizza product. And Little Caesars' ad campaign, which touts the chain's policy of offering two pizzas for the price of one, marks its first foray into network television.

For the advertisements, Little Caesars' executives tapped Cliff Freeman & Partners, the New York firm which was founded by the person responsible for Wendy's "Where's the Beef?" campaign.

19

Chain: Marriott Hotels
Headquarters: Washington, D.C.
Annual sales: \$980.2 million
Sales per unit: \$5.2 million
Number of units: 188

Marriott Hotels' food and beverage division is developing a new upscale seafood dinner-house concept called the Sea Grill in at least 14 Marriott hotels.

The company also recently inked a licensing deal with Washington-based Champion Sports Bars chain to open 10 Champions high-energy lounges in Marriott Hotels. Marriott is continuing its strategy of establishing a presence in various lodging market segments.

The company is continuing to develop its Residence Inn all-suites concept; Courtyard, a midpriced hotel-motel concept with a \$60-to-\$70 price range; and the budget-oriented Fairfield Inn, averaging \$30 to \$35 nightly. By 1989 Marriott plans 35 units of each concept nationwide in addition to its more than

100 Marriott full-service hotels and resorts.

20

Chain: Canteen Corp.
Headquarters: Chicago
Annual sales: \$925.8 million
Average sales per contract: \$524,533
Number of contracts: 1,765

Reacting to sales and traffic gains generated by new menu items, Canteen has added a steak-filled version of its Bigger Better Biscuits and a thick crust Pazelli's Pizza.

Marketing director Sheldon Silver says another signature item, the 2.5-ounce Classy Cookie now available at many accounts, is building traffic at breaks and proving popular as a meal-time "add-on" without cannibalizing dessert sales.

Because Canteen, along with most other food-service contractors, is competing with commercial feeders for the attention of workers during the day, Silver says the company is using more proprietary point-of-sales materials and signs to increase the "restaurant" look of its corporate dining rooms and cafeterias.

21

Chain: Holiday Inns
Headquarters: Memphis, Tenn.
Annual sales: \$826.5 million
Sales per unit: \$523,000
Number of units: 1,579

Despite declining revenues in 1987, Holiday Inns added 60 new hotels to the chain—the equivalent of opening a new hotel every six days.

Parent Holiday Corp.'s Embassy Suites Hotels account for nearly 60 percent of the all-suite domestic hotels, while the limited-service Hampton Inns Hotels have expanded to 152 properties with 31 properties under construction.

Earlier this year Holiday Corp. launched its Homewood Suites concept—a two-room suite equipped with an efficiency kitchen—and its gaming segment is expanding with the groundbreaking for a 468-room Harrah's hotel-casino in Laughlin, Nev.

22

Chain: Hilton Hotels
Headquarters: Beverly Hills, Calif.
Annual sales: \$822 million
Sales per unit: \$3.1 million
Number of units: 274

Once a mainstay of midprice lodging, Hilton is diversifying its product mix with the launch of Hilton Suites Hotels and the franchised CrestHil by Hilton hotel concept.

Cresthil by Hilton offers rooms for \$55 to \$75 per night, while the Hilton Suites properties offer guests fitness facilities, a convenience store, and complimentary breakfast. Ten Hilton Suites are planned for operation by 1990.

A \$100 million expansion plan is under way for Las Vegas' Hilton and the Flamingo, while \$1.2 billion was invested on the refurbishment of 12 of Hilton's largest urban properties, including those in Hawaii, San Francisco, and Chicago. New York's Waldorf Astoria, one of Hilton's best known hotels, was also given an extensive renovation.

23

Chain: Dunkin' Donuts
Headquarters: Randolph, Mass.

Annual sales: \$808 million
Sales per unit: \$484,000
Number of units: 1,810

Dunkin' Donuts will double its convenience-store distribution program by year's end, according to the doughnut chain's vice president and treasurer, Richard Hart Jr.

The 1,810-unit chain currently markets its doughnuts through 350 7-Eleven and Circle K convenience stores and will bring that number to 700 this calendar year.

In 1988 Dunkin' Donuts will also complete its remodeling program while extending its line of hot croissant sandwiches.

24

Chain: Jack in the Box
Headquarters: San Diego, Calif.
Annual sales: \$780 million
Sales per unit: \$900,000
Number of units: 970
Average per-person check: \$3.65

Jack in the Box, spurred by the success of its menu diversification strategy, is again pressing forward with new-product offerings under its ongoing advertising theme "serious food that's fun to eat."

Foodmaker's regional fast-food chain is currently testing taquitos, a Mexican finger food that consists of shredded beef rolled in a fried tortilla shell; a grilled chicken breast sandwich; and three varieties of breakfast pitas, including a breakfast fajita pita made with scrambled eggs and fajita meat.

The chain is also reshuffling its pre-packaged salad arsenal, replacing a pasta seafood salad with a Mexican chicken salad. In recent months the chain has introduced a chicken fajita pita and a line of finger foods that includes egg rolls, chicken fingers, and shrimp.

25

Chain: Shoney's
Headquarters: Nashville, Tenn.
Annual sales: \$780 million
Sales per unit: \$1.4 million
Number of units: 660

Facing up to the "maturity" of the heavily built family-restaurant market, Shoney's has decided to dramatically slow its recent 11-percent rate of company-store expansion and open its development territories to franchisees. Chief executive Mitchell Boyd calls the curtailment "an internal solution to external environment changes."

Shareholders recently endorsed the "slow-growth" strategy by approving the company's \$730 million recapitalization plan, which will pay cash dividends and 12-percent interest. "The key [to Shoney's continued prosperity] is the opening up of franchising everywhere outside the Southeast," a company official says.

Franchisees will be enticed to open 40 of the total 45 restaurants the chain projects will be added to its fold in 1989. This year franchisees opened about 35 of the chain's 56 new outlets. With the emphasis in growth shifting to enhancement of same-store sales, the chain is planning to introduce home-style foods, such as Southern vegetables and such entrées as meat loaf and chicken à la king. A baked fish entrée was recently rolled out chain-wide, with predictions that it will eventually capture 2 percent of total sales.



Chicago Hilton's Great Hall.

A \$100M expansion plan is under way for Las Vegas' Hilton and the Flamingo, while \$1.2 billion was invested on the refurbishment of 12 of Hilton's largest urban properties.

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26

Chain: Long John Silver's Seafood Shoppes
Headquarters: Lexington, Ky.
Annual sales: \$762.1 million
Sales per unit: \$534,300
Number of units: 1,488
Average per-person check: \$3.75

Long John Silver's Seafood Shoppes has embarked on a 550-store remodeling project at a cost of \$200,000 per store to accommodate an eventual systemwide rollout of a broiled seafood line.

The new broiled menu items, already available in some parts of the country, include halibut, shrimp, flounder, and cod dinners. A crispy breaded fish platter, a seafood pasta salad, and a Cajun shrimp dinner were among the menu products rolled out earlier this year.

The giant seafood chain, which controls an estimated 65 percent of the seafood fast-food market, will rack up annual sales of \$762 million this year. But Long John Silver's is experiencing a decline of 4.5-percent year-to-year decline in average per-unit sales, according to analysts.

27

Chain: Sizzler Restaurants
Headquarters: Los Angeles
Annual sales: \$751.5 million
Sales per unit: \$1.5 million (company-owned)
Number of units: 587
Average per-person check: \$7.29

Sizzler continues to expand its all-you-can-eat hot-and-cold buffet array with more and more food items as the chain distances itself from its original steak-house image.

Tostada and pasta bars have been added to almost all stores, resulting in sales increases, according to president Thomas Gregory. The company is now contemplating the addition of a self-serve ice cream bar, and is seeking to add reduced-portion, lower-priced "mini-meals," according to franchisees.

With annual sales of about \$751.5 million and check averages of \$7.29, Sizzler is a leader of the steak-house segment in those respects.

28

Chain: Service America
Headquarters: Stamford, Conn.
Annual sales: \$718.6 million
Sales Per Unit (Contracts): \$692,293
Number of Units: 1,038

Having used a leveraged buyout to escape the meddling of former parent Allegheny Beverage and to vanquish nagging creditors associated with some of Allegheny's overpriced acquisitions, the new owners of Service America say they have returned to decentralized management and expect a "reasonable rate" of growth.

Carr Newcomer, 65, Service America's president since December's leveraged buyout, says the now-private contract feeder was "meeting the [performance and repayment] goals established with the lender."

Principals in Servam Corp., the entity that now controls Service America, include Newcomer, the company's six zone presidents, its chief financial officer, 36 middle managers, and the New York banking investment firm of Morgan Lewis Githens and Ahn Inc. The buyout group gained control of Service America late last year by paying Allegheny Beverage, now called

Alleco Inc., \$345 million in cash and by assuming \$105 million in debt linked to convertible debentures.

29

Chain: Ponderosa
Headquarters: Vandalia, Ohio
Annual sales: \$699.7 million
Sales per unit: \$1 million
Number of units: 690
Average per-person check: \$4.93

Under new ownership for the second time in a year, Ponderosa is moving forward with new and upgraded products and plans for considerable domestic expansion.

Being tested are an upgraded beef program and a new Grand Buffet food bar that includes such appetizers as chicken wings, clam strips and popcorn shrimp. The new array is in addition to a bar sporting hot pastas and sauces, soups, chili, fresh fruits and salads.

Ponderosa, which is now owned by Metromedia Inc., a New York telecommunications firm, is building modular units more cheaply than standard ones and intends to develop them in smaller markets.

30

Chain: Baskin-Robbins
Headquarters: Glendale, Calif.
Annual sales: \$635.2 million
Sales per unit: \$188,400
Number of units: 3,372

Baskin-Robbins is banking on two new products to raise revenues.

The first, a soft-serve frozen yogurt, will be in more than 500 units by year's end. The yogurt, which was tested in a handful of stores last spring, comes in more than 20 flavors, ranging from vanilla to Kahlua and white chocolate. Toppings include fresh fruit, nuts, and candies.

In June 1988 Baskin-Robbins also began rolling out Low, Lite 'n Luscious. The low-fat dairy dessert is available in three flavors: chunky banana, jamocha chip and pineapple-coconut.

31

Chain: Friendly
Headquarters: Wilbraham, Mass.
Annual sales: \$605 million
Sales per unit: \$715,000
Number of units: 860

Friendly, Hershey Corp.'s ailing family restaurant/dipping-store chain, has curtailed expansion to help reverse a trend of flat or declining same-store sales. However, "overbuilt" conditions in the family segment, which depress average-unit customer counts, are expected to continue to "put pressure" on margins, a source at Friendly indicates.

Sluggish sales, which forced Friendly to lay off some 65 headquarters employees in April, are being compounded by the chain's difficulties in hiring sufficient numbers of restaurant workers. "We are devoting money and manpower to cultivate new sources of recruitment," a Friendly official says. To aid unit managers' hiring efforts, the chain has assigned specialized recruiters in its Eastern and Midwestern markets to visit schools, job fairs, and chambers of commerce.

Friendly recently rolled out a pair of less-than-\$6 multicourse dinners—salad, grilled chicken or fried shrimp, and ice cream with syrup—in an attempt to build evening traffic. Test marketing

continues on various pasta-based dishes, including fettuccine Alfredo, chicken cacciatore, and beef Stroganoff, which are priced from \$3.50 à la carte to \$4.99 for complete meals.

32

Chain: 7-Eleven
Headquarters: Dallas
Annual Sales: \$604.8 million
Sales per unit: \$1 million
Number of units: 7,200
Average per-person check: \$2.46

Southland Corp. will have 1,000 fewer 7-Eleven convenience stores at the end of this year than it did when fiscal 1987 closed with 8,200 units, a chain-wide high. In a leaner posture following its leveraged buyout and divestiture of non-convenience store operations, the essentially private chain will see food service continue to increase as a percentage of total sales.

From only a 5-percent-of-sales level in 1982, food service grew to 8.4 percent in fiscal 1987—the result of 7-Eleven's success with deli-style sandwiches, which are now available in 57 percent of stores, and hot dogs and nachos, which are offered in 85 percent of units.

Now the chain is talking with Dunkin' Donuts and Winchell's about a possible branded breakfast program to tie in with morning coffee sales.

33

Chain: Bonanza
Headquarters: Dallas
Annual sales: \$596 million
Sales per unit: \$960,000
Number of units: 650
Average per-person check: \$5.50

"We have accomplished our goal of becoming a budget meal restaurant," said Jeff Rogers, chief executive officer of USA Cafes, parent company of Bonanza.

Steaks now account for 35 percent to 40 percent of sales, falling behind combined volume of chicken, seafood, and salads. The chain is testing Italian items, including scampi, Italian chicken, and sirloin tips marinara, to enforce the image of variety and upgrade the buffet food bar.

A new Bonanza is opening every three days. Growth locations include Canada and Great Britain as well as older markets in the United States and Puerto Rico.

34

Chain: Roy Rogers
Headquarters: Rockville, Md.
Annual sales: \$575 million
Number of units: 610
Sales per unit: \$935,000
Average per-person check: \$3.60

Targeting drive-thru patrons, Roy Rogers is testing three types of ExpressBurgers, the chain's first hamburgers that come with toppings.

Traditionally, customers top their own burgers at a Roy Rogers Fixin's Bar. An ExpressBurger owner's manual, a tongue-in-cheek booklet replicating an automobile manual, is anchoring a program promoting the new hamburgers.

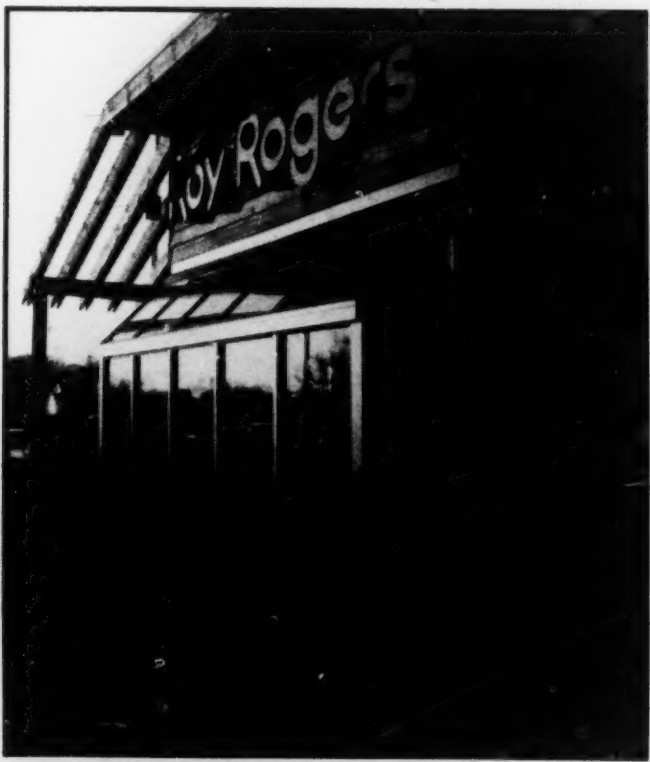
Ongoing marketing efforts stress the variety available at Roy Rogers. The chain offers fried chicken, hamburgers, and roast beef specialty sandwiches. In recent months Roy Rogers has added hot cinnamon breakfast rolls.



A 7-Eleven unit.



A Ponderosa unit.

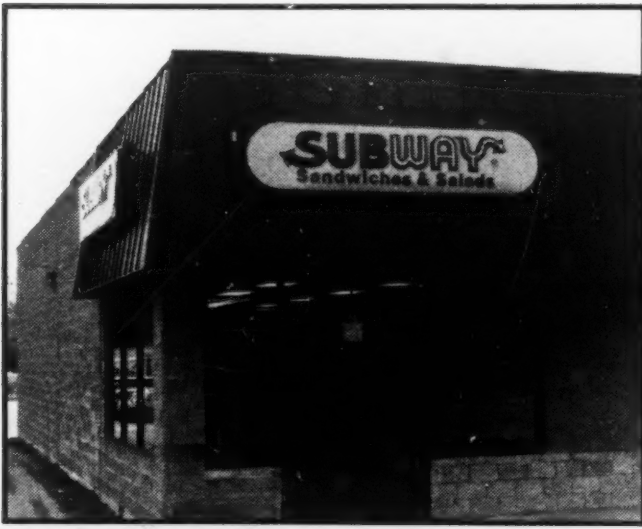


A Roy Rogers unit.



A Friendly unit.

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A Subway unit.

After opening 825 Subway Sandwiches & Salads units last year, Doctors Associates Inc. expects to add 1,000 more stores during 1988 and another 1,000 next year.

35

Chain: Church's Chicken
Headquarters: San Antonio, Texas
Annual sales: \$520 million
Sales per unit: \$360,000
Number of units: 1,450
Average per-person check: \$3.81

After suffering from two years of plunging sales, Church's Chicken is repositioning itself as the traditional provider of "price-value" chicken as part of a "back to basics" drive.

A new advertising campaign, "Big Pieces, Little Prices," is targeting the chain's traditional customer, the "downscale" ethnic market that is looking for value. The 99-cent Chicken Big sandwiches, the chain's answer to the competition's "little" sandwiches, are being promoted heavily.

Meanwhile, chief executive officer J. David Bamberger, who had trimmed overhead and menu items, recently turned over the presidency of the still-troubled chain to food-service veteran Ernest E. Renaud, formerly president of Golden Corral's parent, Investors Management Corp. He will have to deal with increased competition in the chicken business from McDonald's and Kentucky Fried Chicken and, at the same time, higher chicken prices.

36

Chain: Westin Hotels
Headquarters: Seattle
Annual sales: \$512 million
Sales per unit: \$8.4 million
Number of units: 61

An Italian food promotion, complete with a chef exchange with Italy, is scheduled for all restaurants within Westin domestic properties in the fall of 1988.

Although Westin expansion rate is slow relative to competing hotel chains, two sizable properties are scheduled to open in late 1988: the 760-room Walt Disney Swan Hotel at Epcot Center in Florida and a 570-room property in Indianapolis. Seven existing Westin hotels are scheduled for an upscale renovation program.

Through 1988 all hotels in the United States are offering the Westin Weekend promotion: a 50-percent room discount and a free breakfast.

37

Chain: Bennigan's
Headquarters: Dallas
Annual sales: \$500 million
Sales per unit: \$2.2 million
Number of units: 215
Average per-person check: \$7.75

Bennigan's is attempting to acquire a "fresh look" through a new advertising campaign. "We're trying to pull ourselves out of the 'sameness' pack," says Lane Cardwell, senior vice president of strategic planning for S&A Restaurant Corp., the Pillsbury division which operates Bennigan's.

Bennigan's is also fine-tuning its menu, although the core sandwich and salad menu remains intact.

The 215-unit chain introduces new menu items three times a year, including such lower price-point items as soup and salad combinations and pita sandwiches.

38

Chain: Subway Sandwiches & Salads
Headquarters: Milford, Conn.

Annual Sales: \$500 million
Sales per unit: \$167,000
Number of units: 3,000
Average per-person check: \$3.99

After opening 825 Subway Sandwiches & Salads units last year, Doctors Associates Inc. is expecting to add 1,000 more stores during 1988 and another 1,000 next year.

Midway through the current year, the company had 496 units under construction and needed locations to start up twice as many new franchises. Expansion has been targeted for the Northeastern corridor stretching from Pennsylvania to Maine.

Working on programs to enhance staff productivity, the company expects to roll out two new sandwiches: the Cold-Cut Combo and the Super Combo. A lack of smaller retail spaces hampers efforts to reduce unit size from the current 1,100-square-foot average.

39

Chain: Western Sizzlin'
Headquarters: Augusta, Ga.
Annual sales: \$487.5 million
Sales per unit: \$792,700
Number of units: 615

The popularity of steaks continues at Western Sizzlin', supplemented by hot and cold buffet bars.

The food bars are geared to regional tastes, with turnip greens and other Southern vegetables showing up in restaurants in the South, the chain's stronghold. Other foods are universal, such as salads, chicken entrées, and home-style desserts.

This private, family-owned company continues a pattern of modest but steady growth.

40

Chain: Popeyes Famous Fried Chicken & Biscuits
Headquarters: Jefferson, La.
Annual sales: \$485 million
Sales per unit: \$720,000
Number of units: 739
Average per-person check: \$4.15

With the addition of three new experienced top executives to strengthen its management team, Popeyes Famous Fried Chicken & Biscuits is seeking to become more aggressive in the competitive chicken category.

The spicy fried chicken chain claims it is embarking on a new strategic plan that includes significant store expansion and menu modifications, and it wants to nudge Church's from its No. 2 rank among chicken chains within 16 months. The effort will be directed by a new president, chief fiscal officer, and new executive vice president of marketing: James Flynn, Lewis Kilbourne, and Scott Burcham, respectively.

The third-largest chicken chain is also gearing up for increased competition in its home New Orleans market with expected new store openings by industry leader Kentucky Fried Chicken.

41

Chain: Golden Corral
Headquarters: Raleigh, N.C.
Annual sales: \$470.7 million
Sales per unit: \$922,500
Number of units: 505
Average per-person check: \$5.39

Golden Corral is sticking with its original steak-house concept, still pop-

ular in the smaller cities of the South, Midwest, and Southwest, where it has the most restaurants.

The 10-year-old privately held chain is promoting its reputation for good-tasting steaks in a new advertising campaign. Rather than adding new units, Golden Corral concentrated on remodeling older ones in the last year.

Like other chains in the segment, Golden Corral offers a salad bar and non-red meat items, such as chicken. Careful not to stray too far from its mainstay best-seller, the company is promoting its grilled chicken product as being cooked the same way as a steak.

42

Chain: Chi-Chi's
Headquarters: Louisville, Ky.
Annual sales: \$468 million
Sales per unit: \$2.5 million
Number of units: 191
Average per-person check: \$8.50

Since Chi-Chi's was purchased April 13 by Foodmaker Inc.—also parent company to Jack in the Box—the chain has been working on a three-point priority program. Chi-Chi's top concern is increasing per-store sales more than the current 6 percent compared with the same first-quarter period last year, according to Chuck Duddles, chief financial officer of Foodmaker.

"We're also concentrating on reducing management turnover, which is down to 30 percent compared with 80 percent three years ago," Duddles says.

Other keys to Chi-Chi's plan are unit expansion and the addition of more Mexican items to its already heavily Mexican menu. "We'll open 10 to 12 new Chi-Chi's in fiscal 1989, which will bring us to about 135 company-owned stores," said Duddles, who visualizes "only one or two new franchised stores next year."

43

Chain: Dobbs
Headquarters: Memphis, Tenn.
Annual sales: \$449.2 million
Sales per unit: \$6.5 million
Number of units: 69

Airline caterer Dobbs International Services, along with Dobbs Houses and Carson International, which runs airport concessions, is putting stock in the future through quality enhancement efforts to reduce costs and improve service and through a "secondary cities" growth strategy.

Marketing chief George Alvord says the company is seeking to open by the end of the year the first of a number of scaled-down "secondary cities" flight kitchens at the fast-growing regional airport near Fort Meyer, Fla. He also says that Dobbs International Services' employees and customers have responded "positively" to the company's sale by Chicago retailer Carson Pirie Scott to longtime food-service and airport ground-services contractor Greyhound Corp.

Frank Martin, operations vice president of Dobbs Houses, says his company, like others, is using localized themes, foods, and beverages for airport shops. While Dobbs Houses is adding more table service facilities, Martin says one of the self-service concepts, Pizza Strada, a pizza-by-the-slice operation developed by sister company Carson International in Chicago, will also be expanded. Seven Pizza Stradas are now in operation.

GOLDEN CORRAL
Our Steaks Taste Better
Because They Are Better.

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44



The Ramada Renaissance Hotel at Dulles Airport in Washington, D.C. Ramada is promoting Renaissance heavily to help rebound from first quarter losses.

Chain: Hyatt Hotels
Headquarters: Chicago
Annual sales: \$443 million
Sales per unit: \$3.2 million
Number of units: 135

Hyatt Hotels, continuing to individualize its lodging properties, is opening a Latin-and-Chinese-themed restaurant called Juan Ton in the Hyatt Regency Miami and a '50s-style coffee shop featuring an eclectic American menu in the Hyatt on Sunset Boulevard in West Hollywood, Calif.

The luxury hotel chain that is downsizing and down-scaling has rolled out a country-style breakfast menu in coffee shops in 85 hotels, and it is continuing to open delis in selected properties. A test of the Country Breakfast pulled 70 percent of its customers from the local market.

Hyatt plans to build six new properties in the United States in 1989 in addition to making acquisitions.

45

Chain: T.G.I. Friday's
Headquarters: Dallas
Annual sales: \$405 million
Sales per unit: \$3 million
Number of units: 135
Average per-person check: \$9.95

A slick new menu design and recast list of dishes are helping T.G.I. Friday's stay competitive in the casual theme segment.

Friday's new menu has lithographs and photos of popular dishes and distinct product categories. Gone are "slow moving" items like the hot Sicilian sandwich and steak and fish dishes; in their place are more pastas, according to Stephen King, spokesman for the 135-unit chain.

"The net effect is a slight decrease in food costs and little effect on labor costs," King says. "But we're more contemporary now."



Opening of a Carl's Jr. unit.

Chain: Carl's Jr.
Headquarters: Anaheim, Calif.
Annual sales: \$399.3 million
Sales per unit: \$939,800
Number of units: 444

As a long, successful turnaround program nears completion, Carl's Jr. is focusing on products that appeal to contemporary health-conscious patrons.

The regional hamburger chain, which is enjoying double-digit real sales growth, recently added pre-packaged salads and is touting the health and calorie benefits of its chicken club sandwich and other menu items. Additional products, including a healthier version of the chain's traditional California Roast Beef Sandwich, are being tested.

Meanwhile, Carl's Jr. is well on its way toward completing the remodeling and updating of its restaurants. The chain has also resumed expansion in its core Western markets and will soon open restaurants in Japan under a licensing agreement with Japan-based Friendly Corp.

47

Chain: Rax
Headquarters: Columbus, Ohio
Annual sales: \$390 million
Sales per unit: \$730,000

Number of units: 590
Average per-person check: \$3.02

Rax is continuing an attempt to broaden its customer base through the ongoing evolution of its lunch and dinner self-service bar.

Recently, the chain introduced a make-your-own mini-sandwich section on the bar as well as cold pasta entrées and a chef salad. The food bar, which is accounting for about 30 percent of sales, includes products ranging from pasta, Mexican specialties, chili, and salads. Rax also recently introduced a chicken breast sandwich to its regular menu.

Meanwhile, the fast feeder is testing brunch in some units and a drive-thru-only outlet. Marketing efforts continue to emphasize the "Fast Food with Style" theme.

48

Chain: El Torito
Headquarters: Irvine, Calif.
Annual sales: \$378 million
Sales per unit: \$2.1 million
Number of units: 180
Per-person check average: \$7.40

El Torito, having streamlined its operation by closing units, is working on a new, scaled-down spin-off concept called El Torito Grill.

The three El Torito Grills now in operation in California offer Southwestern-style cuisine instead of the Sonora-style Mexican food sold in the traditional El Torito.

"We're certainly not abandoning El Torito; we're just experimenting with this new concept," says a spokesman for El Torito's parent company, Restaurant Enterprises Group. The tests of El Torito Grill come at a time when growth in average unit sales has slowed to a 1.5-percent pace. System-wide sales for 1988 are projected to decline by 10 percent from 1987.

49

Chain: Perkins
Headquarters: Memphis, Tenn.
Annual sales: \$370 million
Sales per unit: \$1.2 million
Number of units: 345

Outbid in its quest to acquire and convert the rival Shoney's South chain, the Perkins Family Restaurants chain is focusing instead on franchise expansion to high-volume locations as far afield as Canada. Meanwhile, the company reports steadily rising sales and profitability resulting in part from the continuation of a three-year-long shift in marketing enticements—from "coffee-shop" expediency to "family restaurant" attractiveness.

The chain's Summer Salads promotion—last year's was fruit salad in a pineapple boat, and this year's is spinach salad with hot bacon dressing—characterizes Perkins' aspirations to upgrade. Another "family" drawing card is the \$4-to-\$5.25 line of quarter-pound 'Frisco Melt sourdough sandwiches. The line includes cheese-topped burger, tuna, beef-cheese, and club sandwich melts.

Maturing baby-boomers who are newly saddled with family-rearing costs are "rediscovering" the family restaurants that some had presumed were passé, marketing vice president Patrick Morris asserts. To Perkins' advantage, "The population is finally moving from 'occasion' restaurants to 'family' restaurants," Morris comments.

50

Chain: Sky Chefs
Headquarters: Arlington, Texas
Annual sales: \$352.7 million
Sales per flight kitchen and airport: \$10.1 million
Number of flight kitchens: 35

Sky Chefs, a major player in airline catering, where reductions in service among domestic carriers continue to threaten margins, is confronting the challenge with the help of an award-winning menu development team, a policy calling for the testing of newly hired employees for drugs, and ultra-automated flight kitchens.

Earlier this year Sky Chefs became the first North American company to win the International In-Flight Catering Association's Mercury Award for a Japanese menu it jointly developed with American Airlines, its largest customer.

The company also recently opened flight kitchens in Cincinnati and El Paso, Texas, to replace facilities sold last year to terminal feeder Concession Air. Another kitchen is to open this month in Syracuse, N.Y.

51

Chain: Sonic Drive-In
Headquarters: Oklahoma City
Annual sales: \$350 million
Sales per unit: \$355,000
Number of units: 978
Average per-person check: \$2.10

Having purged its system of several unprofitable units, Sonic Drive-in is forging ahead with new restaurant expansion, including its first unit in California.

The 1950s-themed drive-in operator is well into a retrofit-remodel program that will update the look of its restaurants and is targeting Florida for its next new expansion area. With most of its restaurants now working together through advertising co-operatives, the chain is also honing its marketing focus.

Major campaigns targeting Sonic's predominantly blue-collar customers include the Nifty Fifties campaign with spokesman Frankie Avalon, combination value promotions, and a speed and convenience campaign, all featuring the company's "faster and better than ever" tag line.

52

Chain: Ramada Inns
Headquarters: Phoenix, Ariz.
Annual sales: \$343 million
Sales per unit: \$505,900
Number of units: 678

Ramada inns and hotels is trying to rebound from a \$500,000 first-quarter earning loss by stepping up promotions in its three distinct hotel brands—Rodeway Inns, Ramada inns and hotels, and the Ramada Renaissance Hotels.

The company has been restructuring its lodging chains following several years of sagging occupancy rates and declining profit margins. It recently acquired the economy chain Rodeway Inns in a move to widen its appeal to budget-conscious customers and started upgrading the standard Ramada properties.

Ramada recently sold 10 domestic hotels to a real-estate partnership. It also unveiled plans for a \$60 million hotel and casino in Laughlin, Nev., with completion slated for early 1989.

El Torito is working on a new spin-off concept. . . 'We're certainly not abandoning El Torito; we're just experimenting.'

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Mickey Mouse looks through a book of popular Disney recipes.

The Walt Disney Co. has been recruiting culinary staff ambitiously in Atlanta; Houston; Miami; New Orleans; and Atlantic City, N.J.



The sign at an IHOP unit.

The IHOP chain is continuing its bridge from pancakes to other menu selections with a focused advertising effort.

53

Chain: Disneyland/Disney World
Headquarters: Burbank, Calif.
Annual Sales: \$334 million
Number of units: 150 (Florida), 35 (California)

The Walt Disney Co. has embarked on aggressive expansion efforts that will increase its theme-park food-service volume significantly this year and in fiscal 1989. Toward that end, the company has been recruiting culinary staff ambitiously in Atlanta; Houston; Miami; New Orleans; and Atlantic City, N.J.

Disney's expansion in California was led by its purchase of Disneyland Hotel, the Queen Mary, and Spruce Goose from Wrather Corp. Under way in Florida are three hotel and two entertainment park additions. Hotel space will grow from 5,000 rooms to 12,000 rooms by 1993.

At the Walt Disney World complex, dining space is being doubled in the 135,000-square-foot Shopping Village. A new Norway Pavillion at Epcot Center introduced Scandinavian fare with its Koldboard concept. Meanwhile, buffeteria dining is on the rise at Disney operations, where guests purchased 4 million burgers, 3.4 million orders of french fries, 1.2 million gallons of soft drink, and 3.2 million servings of ice cream last year.

54

Chain: Pizza Inn
Headquarters: Dallas
Annual sales: \$330 million
Sales per unit: \$450,000
Number of units: 775
Average per-person check: \$4.50

Acquired by Pantera's Corp. last year, Pizza Inn is being merged with the nearly 100 Pantera's pizza units, making the chain the fourth largest in the business. Pantera's game plan is to grow even larger through acquisitions.

Meanwhile, two new menu items, New York-style pizza and Pizzert, a dessert pizza, are selling well, and they should help win more customers in the increasingly competitive battle for market share, according to chain executives.

Pizza Inn is also nearly doubling its advertising budget this year, and it has a new campaign developed by Chiat-Day, Los Angeles, that portrays the operator's pizzas as being underrated. The chain likens itself to Pizza Hut in that it has dine-in, carry-out, and delivery capabilities.

55

Chain: International House of Pancakes
Headquarters: North Hollywood, Calif.
Annual sales: \$328.7 million
Sales per unit: \$692,000
Number of units: 475
Average per-person check: \$4.50

IHOP Corp. is celebrating its 30th birthday with a commitment to staff motivation, nutrition, new menu items, and bigger lunch and dinner sales at its 475 International House of Pancakes restaurants.

The chain is continuing its bridge from pancakes to other menu selections with a focused advertising effort, and, in an attempt to bolster morale and staff retention, is blitzing employees with motivational messages every three weeks.

While fruit garnishes are accompanying all meals, IHOP is pushing its

newly introduced chicken breast sandwich. Company management and franchisees await the rollout of a new pancake concept during the summer.

56

Chain: Whataburger
Headquarters: Corpus Christi, Texas
Annual sales: \$310 million
Sales per unit: \$840,000
Number of units: 470
Average per-person check: \$2.30

Whataburger is expanding a test of two new breakfast items—a potato side dish and cereal—and is experimenting with a new dessert item and a new salad.

The regional hamburger chain is also moving ahead with an interactive computerized network which is scheduled to be in all units by 1991. The Whataburger Information Network (WIN) provides nutritional information to customers and an opportunity for them to respond to questions about menu items.

In addition, the private company is adding 40 units in the Sunbelt by the end of its fiscal year. The new units will be blue and white instead of orange and white, with double and triple drive-thrus, and fewer seats than the old Whataburger units. They will be used primarily in markets outside of Texas.

57

Chain: Morrison Custom Management
Headquarters: Mobile, Ala.
Annual sales: \$305 million
Sales per unit: \$363,095
Number of units: 840

Recognizing the increasingly specialized demands of different customers, Morrison Custom Management has reorganized its sales and operations teams by market segment.

President Joe Byrum says the "market pure" approach means that sales and operations personnel, who once might have handled contract-feeding accounts in education, health care, and business, now will work in just one field.

Morrison Custom Management currently has about 95 percent of its accounts up for review, Byrum says, and has committed money to several programs designed to maintain and improve on that record, including one that dispatches a team of traveling culinary instructors to work with unit-level employees.

58

Chain: Radisson Hotels
Headquarters: Minneapolis
Annual sales: \$301.4 million
Sales per unit: \$1.8 million
Number of units: 165

Radisson is in the second year of a five-year expansion plan with a target figure of 360 hotels by 1992. The company plans to open a new property every 10 days next year, according to a spokesman.

Last year Radisson Hotels joined the burgeoning all-suite hotel market and currently has 15 all-suite hotels in operation. Four more all-suite properties are scheduled to open in the next 12 months.

Earlier this year Radisson began retailing chocolate chip cookies and gourmet coffee in selected company-owned hotel restaurants. More recently, the chain launched a "Grand Temptations"

joint summertime promotion with Edy's/Dryer's, the supplier of Edy's ice cream.

59

Chain: White Castle
Headquarters: Columbus, Ohio
Annual sales: \$300 million
Sales per unit: \$1.204 million
Number of units: 249

White Castle, the 249-unit, family-owned hamburger chain, is continuing to evaluate the results of an expanded marketing program that is in test in Cincinnati.

As the customer base of the chain slowly ages, White Castle is promoting products for families in an attempt to capture the next generation of customers.

White Castle is also replacing older restaurants with new, modernized units with expanded seating and drive-thru windows. In other instances, new units are being constructed on the same pads where older outlets now sit.

60

Chain: Morrison's Cafeterias
Headquarters: Mobile, Ala.
Annual sales: \$295 million
Sales per unit: \$1.9 million
Number of units: 164
Average per-person check: \$4.60

Morrison's Cafeterias, the segment leader, with 164 units in 38 states, is continuing to install vegetable bars, dessert bars, take-out windows, and on-line grills as part of its systemwide remodeling program.

The program, which costs an average of \$215,000 per unit, is building sales and traffic counts, the company says.

In a shift in strategy, Morrison's is also adding seats to some of what had been take-out-only shops. The chain has 30 such outlets.

61

Chain: Round Table Pizza
Headquarters: San Francisco
Annual sales: \$280.7 million
Sales per unit: \$515,000
Number of units: 575

Round Table Pizza will double its delivery program to 200 units from 100 in the coming year.

Although initially the company was cold on delivery, executives now project sales increases of 15 percent to 20 percent for units that take their product to the customer.

Company plans also include opening about 25 units in the last quarter of 1988. The extra units are expected to help fuel systemwide sales increases of 12 percent.

62

Chain: Furr's Cafeterias
Headquarters: Lubbock, Texas
Annual sales: \$270 million
Sales per unit: \$1.8 million
Number of units: 153

Furr's Cafeterias has expanded an all-you-can-eat promotion to 80 of its 153 units.

The company said many of those units are reporting traffic increases of 25 to 30 percent.

In addition, the chain, which will not add any new units this year, is planning to expand a test of take-out and drive-thru.

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63

Chain: Howard Johnson
Headquarters: South Weymouth, Mass.
Annual sales: \$265 million
Sales per unit: \$795,000
Number of units: 320
Average per-person check: \$3.85

The loose-knit Howard Johnson family restaurant chain, splintered into two camps following a divestiture by its British-based former parent company, is awaiting a massive face-lift effort under the 140-unit Franchise Associates Inc. faction owned by franchisees. Meanwhile, predictions are that FAI will acquire additional units of Marriott Corp.'s 180-unit HoJo group—as many as 15 in 1989—while the balance of Marriott's units await disposition or conversion to other concepts—including Marriott's new Allie's family restaurant—over the next several years.

FAI has retained a concept consultant from California—whose past credits include Taco Bell, Mrs. Field's, and Bennigan's—to do a total revamping of the Howard Johnson facade, interior, menu, and uniforms. A handful of the new prototypes are slated for testing in the Boston area or upstate New York before the end of this year, FAI president Arthur Barrett says.

FAI intends to continue its three-year-long series of upgrades to the HoJos menu, which now offers a "Crabby Melt" sandwich, a fried clam-and-fish "Seawich," an "endless" salad bar, and a 15-layer lasagna and other pasta varieties. The planned food enhancements will be "not different from the rest of the [restaurant] world, but different for us," according to Barrett.

64

Chain: Ground Round
Headquarters: South Weymouth, Mass.
Annual sales: \$260 million
Sales per unit: \$1.3 million
Number of units: 215
Average per-person check: \$6.55

Expansion is the big news at Ground Round these days.

The family steak-house chain—owned by British conglomerate Hanson Trust—is in the process of rehabilitating 20 Stuart Anderson's Black Angus & Cattle Co. restaurants purchased last March. The first "new" unit opened as a Ground Round in April.

The remaining Black Angus stores will reopen as Ground Rounds by year's end, according to Bob King, Ground Round's chief financial officer.

The merger seems particularly propitious for Ground Round because beef business is on the upswing throughout the chain. Systemwide sales, sales per unit, and per-person check averages are all up over last year's figures, according to chain officials.

65

Chain: Bob Evans Farms
Headquarters: Columbus, Ohio
Annual sales: \$259.2 million
Sales per unit: \$1.4 million
Number of units: 201
Average per-person check: \$4.40

While expanding its red ranch-house outlets from a base in the Midwest, Texas, and Florida into new markets on the East Coast, the Bob Evans Farms family restaurant chain will focus on human resources to

sharpen its competitive edge.

"Attention to hiring, recruiting, and training will help us keep our high level of service," says Keith Bradbury, vice president and finance chief. Cultivation of a young labor force gives those who work for Bob Evans Farms opportunities for advancement and enables the chain to grow, Bradbury explains. In the short term, that growth will come in large part from the inroads the chain is making into the Baltimore, Washington, D.C., and Philadelphia markets and from expansion into Dallas and other areas of Texas through development of its Owens Family Restaurant sister concept.

Although exhibition biscuit baking will be an ongoing feature, company insiders say the menu strategy at Bob Evans Farms increasingly involves satisfying customers' perceived appetites for "lighter" and low-cholesterol fare. That is the purpose of the chain's new seafood and salad items and breakfast alternatives, such as last year's rollout of oatmeal. Other recent rollouts: a separate menu of dinner entrées costing less than \$5, including beef stew, charbroiled catfish, petite rib-eye steak, country-fried steak, and meat loaf.

66

Chain: Luby's Cafeterias
Headquarters: San Antonio, Texas
Annual sales: \$254 million
Sales per unit: \$2.4 million
Number of units: 113
Average per-person check: \$4.48

Luby's, with most of its units located in the Oil Patch states, is cautiously exploring new markets, especially Florida.

One unit is scheduled to open there this year, while the 113-unit chain debuts its first unit in Arkansas this year.

Although Luby's has the highest average sales volumes per store in the segment, with per-store tallies averaging \$2.3 million in fiscal 1988, traffic is expected to be down slightly for the year. However, a price increase this past May boosted sales, and future price hikes may go into effect later in the calendar year.

67

Chain: Chili's Grill & Bar
Headquarters: Dallas
Annual sales: \$253 million
Sales per unit: \$2 million
Number of units: 143
Average per-person check: \$6.60

Chili's Grill & Bar, which began as a gourmet burger, chili, and taco operation, has evolved into a 143-unit chain offering a wide-ranging list of menu items.

Most recently, Chili's rolled out shrimp fajitas, a children's burger, and the "Southwestern," an \$8.45 platter consisting of grilled marinated shrimp on a bed of spiced rice. The shrimp fajitas complement Chili's existing line of chicken and beef fajitas, while the \$1.95 burger and fries expands the children's menu beyond hot dogs and grilled cheese sandwiches, which are also priced at \$1.95.

Chili's reported revenues of \$210 million for its fiscal year ended June 30, compared with \$177 million in fiscal 1987.

68

Chain: Godfather's Pizza
Headquarters: Omaha, Neb.

Annual sales: \$245 million
Sales per unit: \$414,000
Number of units: 580
Average per-person check: \$11

Godfather's president Herman Cain and executive vice president Ronald B. Gartlan are still enmeshed in negotiations to purchase the chain from Pillsbury.

The proposed buyout comes at a time when the duo and other members of Godfather's executive team are attempting to resume a reversal of a steep, three-year sales. The turnaround effort focused on a back-to-basics program and new products, including Hot Slice and Stuffed Pie Pizza. More recently, Godfather's added a line of dessert pizzas in an attempt to bolster check averages and traffic.

Godfather's is continuing its development and expansion of home delivery, which represents nearly 40 percent of sales, as well as the rollout of a new Thin pizza.

69

Chain: Ogden Allied Services
Headquarters: New York
Annual sales: \$241 million
Sales per contract: \$1.6 million
Number of contracts: 147

Enamored of the rising attendance curve and tremendous cash flow associated with outdoor amphitheaters, the Leisure Services branch of Ogden Allied Services doubled the number of open-air arenas it serves from five to 10 in recent months.

Mitchell Savas, vice president of Leisure Services, which operates stadium and arena concessions nationwide, says amphitheaters can generate up to \$3 million in food and beverage sales within a 90-day period.

Though the compressed outdoor season, driven primarily by weather considerations, puts concessionaires under intense pressure, Savas says it also puts money in their hands faster so that they can fund more expansion with cash flow or generate more interest income during the course of a year. He adds that the amphitheater crowd buys upscale items, including wine and cheese, fruit juices, and premium ice cream novelties, in addition to the hot dogs and soft drinks that sports fans seem to relish most.

70

Chain: ShowBiz/Chuck E. Cheese
Headquarters: Irving, Texas
Annual sales: \$240 million
Sales per unit: \$905,660
Number of units: 265

ShowBiz/Chuck E. Cheese is testing breakfast in a Dallas unit and continuing the remodeling program it began last year. The chain's new breakfast menu includes pancakes, french toast sticks, cinnamon rolls, hash browns, and a biscuit sandwich with eggs, cheese, and a choice of sausage or bacon. Prices range from \$1.95 to about \$3.

ShowBiz began remodeling units last year, hoping to shift its clientele from teen-agers to families with young children. Remodeled stores feature a separate play area for children, increased lighting, and fewer video games. The self-service format has also been modified, with orders now taken to tables by servers.

ShowBiz is also testing a sandwich program, begun late last year, in about 30 units. So far it has met with mixed reviews, the chain says.

**Godfather's
Pizza™**

**The
Ground
Round**

**Bob Evans
FARMS**

**chili's
GRILL & BAR**

FOCUS TOP 100

71

Chain: Ryan's
Headquarters: Greer, S.C.
Annual sales: \$240 million
Sales per unit: \$2.3 million
Number of units: 121
Average per-person check: \$5.10

Following a period of fast expansion, Ryan's is slowing growth from 35 percent to 20 percent annually after profits were eroded by high construction and labor costs and sluggish sales.

The chain has added Italian and Mexican items to its Mega Bar buffet in an attempt to attract more customers. A breakfast bar is in test in 10 units. The Mega Bars already contained hot meats and vegetables; salads; fresh fruits with toppings, desserts, and cheese; and hot yeast rolls made on site.

Currently concentrated in the Southeast, Ryan's is seeking new locations in the Midwest and Southwest.

72

Chain: Piccadilly Cafeterias
Headquarters: Baton Rouge, La.
Annual sales: \$235 million
Sales per unit: \$2 million
Number of units: 124
Average per-person check: \$4.35

In its first move outside of traditional Sunbelt locations, Piccadilly Cafeterias is expanding into California with two units already opened in the northern part of the state and one additional unit planned there this year.

The 124-unit chain is also evaluating a six-month, five-unit test of a breakfast program that resulted in incremental sales gains of about 8 percent. In addition, Piccadilly is returning to a double serving line strategy that is boosting sales volumes and lowering labor costs.

73

Chain: Quincy's
Headquarters: Spartanburg, S.C.
Annual sales: \$235 million
Sales per unit: \$1.1 million
Number of units: 215

Quincy's family steak house has been wooing new customers with its ever-expanding Country Sideboard food bars and new grilled chicken breast entrées.

While steaks remain an important part of the menu mix, the four food bars—cold salads, hot meats and vegetables, soups, and desserts—have been growing in popularity, according to Karen Randall, director of public relations. Soft-serve sundaes with seven toppings are the newest addition to the dessert bar, which also offers such home-style selections as cobblers, cakes, and puddings.

Rather than expanding in numbers of units, Quincy's has been concentrating on increasing per-unit sales by broadening its customer base.

74

Chain: F.W. Woolworth
Headquarters: New York
Annual sales: \$234 million
Sales per unit: \$250,000
Number of units: 940 (including 19 in-store Burger Kings)
Average per-person check: \$3.25

F.W. Woolworth Co. has postponed expansion of its 19-unit Burger King experiment to focus on upgrading the

most successful in-store coffee-shop and snack bar operations during fiscal 1988.

But beginning next January, the general merchandise chain—with six Burger King franchises each in New York and Washington-Baltimore, three each in Texas and California, and one in Boston—will resume its restaurant replacement effort again.

The Burger King concept will be targeted where Woolworth's in-store units are showing insufficient volume and profit. Woolworth has had the most success with the burger shops in the Northeast.

75

Chain: Village Inn
Headquarters: Denver
Annual sales: \$232 million
Sales per unit: \$918,000
Number of units: 272

A retrenched Village Inn family restaurant chain is "refocusing on core strengths," such as breakfast, and working on "getting sales up to respectable levels, by industry standards," according to Bob Benson, president of parent company Vicorp Restaurants.

Vicorp has elected to halt expansion of Village Inn for a year in the aftermath of the financial drubbing the company sustained from its acquisition and conversion of 175 defunct Sambo's restaurants. The momentum of those conversions, to Village Inn's higher-volume sister concept, Bakers Square, is continuing with the conversion of about 10 Village Inn units in Florida.

A new Village Inn product development team is currently working on new breakfast items. "Breakfast has become a strategic linchpin," Benson says, adding that Village Inn's "clear, quality-service orientation" gives the chain an opportunity to differentiate itself from Big Boy and other chains that are apparently moving toward self-service. However, Benson says the rising cost of labor, coinciding with the diminishing supply and quality of restaurant manpower, are among his foremost concerns.

76

Chain: Marie Callender's
Headquarters: Orange, Calif.
Annual sales: \$230.5
Sales per unit: \$1.6 million
Number of units: 151

Stung by parent company Ramada Inc.'s "disappointment" with its earnings contributions, the Marie Callender's pie-specialty family restaurant chain is fighting off a sales slump by pushing a less-than-\$4.50 "lighter side" menu array of chicken and tuna sandwiches, grilled lemon chicken, ham Cobb salad, and a fruit-and-cheese platter.

Company insiders blame the increased number and quality of competing restaurants for soft sales at the chain. Despite those pressures, Marie Callender's has suspended new image-oriented television advertising, which was judged cost ineffective. An alternative marketing thrust will focus on varied, in-store promotions geared to specific local-market needs.

Compounding the chain's worries are proposed across-the-board menu price increases of 5 percent to 10 percent, which management believes may be necessary to counteract the recent 27-percent hike in the California minimum wage—the chain's principal trad-

ing area. In Hawaii the chain has launched a three-unit test of a bakery-goods-only "satellite" store prototype for mall locations.

77

Chain: Carvel
Headquarters: Yonkers, N.Y.
Annual sales: \$228.7 million
Sales per unit: \$255,000
Number of units: 897

Carvel Corp. has launched a national print-advertising campaign aimed at boosting summer sales.

The campaign, the first of its kind for Carvel, uses full-color, two-sided 8.5 inches by 11 inches newspaper inserts.

Rather than highlighting a single item, the ads tout the chain's entire lineup of ice cream cakes, cones, sundaes and sundae dinners, which is unchanged for 1988.

78

Chain: Chick-fil-A
Headquarters: Atlanta
Annual sales: \$226 million
Sales per unit: \$600,000
Number of units: 393
Average per-person check: \$2.91

Mostly a mall-oriented chicken chain, Chick-fil-A is in the process of building new freestanding units as part of its nationwide expansion drive. However, mall expansion is still the chain's dominant growth vehicle.

The chicken chain expects to open about 10 new freestanding restaurants in Atlanta and, possibly, Birmingham, Ala., by the end of the year. It already has five freestanding units in the Atlanta market.

Chick-fil-A is also updating store interiors as well as product packaging and crew uniforms. The changes include softer lighting, new product photography, and new khaki and maroon uniforms to match the new interior design.

79

Chain: Steak and Ale
Headquarters: Dallas
Annual sales: \$225 million
Sales per unit: \$1.4 million
Number of units: 160
Average per-person check: \$11.62

Jerry Levin, the new chairman of S&A Restaurant Corp., has his hands full. Steak and Ale, along with Bennigan's, the company's primary chain, is coming out of an 8-percent sales decline in fiscal 1988 attributable to declining beef consumption. But Steak and Ale has abandoned its forays into trendy menu items and returned to its roots—meat and potatoes.

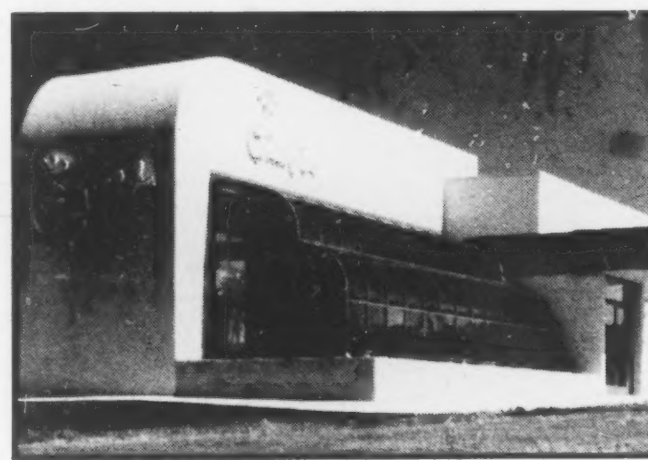
"Our focus had gotten away from steak to a more varied menu in an attempt to lure a wider customer base," says Lane Cardwell, senior vice president of strategic planning. "But instead we just annoyed our loyal long-time customers."

All is not lost, however. The chain's new advertising campaign motto—"For Over 20 Years, The Legend In Steak"—has boosted average per-unit sales by 15 percent since its inception last October, according to Cardwell. Steak and Ale, which has closed a "mix of poorly performing" units over the last year, plans to sell 35 to 40 more units this year to whittle the chain to a manageable 135 to 140 stores. No new units are planned for 1988.



NPR Photo

Customer samples a Ryan's Mega Bar buffet, to which the chain has added Italian and Mexican items in an effort to attract more customers.



A Chick-fil-A freestanding unit.

The chicken chain expects to open about 10 new freestanding restaurants in Atlanta and, possibly, Birmingham, Ala., by the end of the year. It already has five freestanding units in the Atlanta market.

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80

Chain: Seiler Corp.
Headquarters: Waltham, Mass.
Annual sales: \$225 million
Sales per unit (contract): \$424,528
Number of units: 530

Contributing to the ongoing concentration within contract feeding, Seiler Corp. acquired three specialists in fiscal 1988.

The move added accounts in all four of Seiler's operating regions, including the Midwest, Northeast, Southeast, and Mid-Atlantic, and it could help the company increase its sales by a full 33 percent for the fiscal year ending Aug. 31.

Acquired by Seiler, a subsidiary of France's Sodexho, were Dietary Consultants Inc. of Hornell, N.Y., a 30-client feeder with experience in nursing and long-term health-care facilities and retirement communities; In Plant Catering Inc., a 67-account business-and-industry food-service contractor based in Woburn, Mass.; and Western Food Enterprises of Grand Rapids, Mich., a 7-year-old firm with 16 education and six business and industry contracts. Seiler Corp. president William Zammer named former In Plant owner and president Harold Trager a senior vice president and manager of Seiler's corporate dining division.

81

Chain: Waffle House
Headquarters: Norcross, Ga.
Annual sales: \$210 million
Sales per unit: \$350,000
Number of units: 600
Average per-person check: \$2.90

Considered one of the most conservative and most profitable food-service concepts in the Sunbelt, 33-year-old Waffle House will continue expanding from its 600-unit base during the rest of 1988.

A hybrid of the coffee shop and family restaurant, Waffle House will continue constructing its 1,700-square-foot, brightly lighted, yellow and black units in high traffic sites along commuting thoroughfares and interstate highways.

The 24-hour restaurants gross an average of \$350,000 annually, with per-person checks averaging \$2.90. With units now operating from Florida to Michigan, and from North Carolina to Arizona, the Norcross, Ga.-based parent company and its franchisees are investigating sites in the mid-Atlantic, North Central, and West Coast regions.

82

Chain: Grandy's
Headquarters: Lewisville, Texas
Annual sales: \$200 million
Sales per unit: \$926,000
Number of units: 227
Average per-person check: \$4.55

Grandy's, trying to strengthen its image as a fast-food chicken rather than homestyle dinner chain, is rolling out its first sandwich program and redesigning advertising around a campaign portraying menu items as being superior to those of competitors. The move is also designed to bolster stagnant average unit sales in Oil Patch regions.

The chain's first sandwich program ever is being kicked off with chicken breast filet and country fried steak sandwiches, designed to help compete

in the fast-food lunch area. The new advertising campaign, based on a consumer survey, boasts that Grandy's has the best food of any leading chicken chain by more than 3 to 1 and the best food of the leading burger chains by more than 5 to 1.

Meanwhile, Grandy's, owned by Anwar Soliman's American Restaurant Group, plans to open up to 240 restaurants in the Pacific Basin over a 10-year period under an agreement inked with a Malaysian financial services conglomerate. The openings would nearly double the size of the chain.

83

Chain: Quality Inns
Headquarters: Silver Spring, Md.
Annual sales: \$194 million
Sales per unit: \$221,209
Number of units: 877

Quality International is breaking ground in its quest to enter the upper-priced lodging market with the establishment of Clarion Hotels and Resorts, a joint venture with AIRCOA, the Denver, Colo.-based management company. Since the Clarion agreement with AIRCOA was struck, 10 additional Clarion Hotels and Resorts have entered the system for a total of 42 either open or under development.

Like most of its competitors, Quality International broke ground in the budget-hotel market, with the launch of franchised McSleep Inns, a concept featuring room rates in the \$20-to-\$29 per-night range.

Quality International's 1988 expansion plans call for the addition of 200 lodging properties throughout the United States and 60 in Europe and the Pacific.

84

Chain: Sportservice Corp.
Headquarters: Buffalo, N.Y.
Annual sales: \$193 million
Sales per unit: \$1.3 million
Number of units: 153

Striving to sustain double-digit growth in the face of intense competition and a consolidating market, stadium, arena, and racetrack feeder Sportservice Corp. is shopping for expertise in other segments, including business and industry, health care, and education.

"Our goal is to do \$200 million [in sales] this year and \$500 million by 1990," Sportservice president Michael F. Thompson says, acknowledging that such ambitious plans could be realized only by acquiring one or more companies.

"Sustaining" margins has become a critical issue for his company, Thompson says, because growing resistance to price hikes by sports facility managers and patrons alike has prevented Sportservice from using such a strategy to counter recent increases in operating costs of 5 percent to 6 percent of sales. With much of the added cost related to maintaining a labor pool, Sportservice has begun adjusting shifts to better meet the needs of crew members and paying bonuses to employees who work a set number of events, he adds.

85

Chain: Daka Inc.
Headquarters: Wakefield, Mass.
Annual sales: \$191 million
Sales per unit (contract): \$441,186

Number of units (contracts): 430

A shopping spree that netted three contract-feeding companies within six months and a reorganization of upper management have squeezed margins but leave contract feeder Daka Inc. "on the verge of a very good year," president Terry Vince says. The company is poised to venture outside the contract feeding business through its pending merger with Fuddrucker's, the San Antonio-based hamburger chain.

Daka's acquisitions of Baltimore-based Chesapeake Management Services Inc., T.J. McDermott of New Rochelle, N.Y., and Creative Food Service Management Inc. of Milwaukee helped increase sales by 23 percent, to \$182 million, for the year ended June 30.

Though Daka added to its cost of acquisition by tripling the number of regional vice presidents to six, adding six district managers, creating new posts such as training manager, and developing a training center, Vince says the company "can now add quite a few accounts without adding [further] to overhead."

86

Chain: Bakers Square
Headquarters: Chicago
Annual sales: \$190 million
Sales per unit: \$1.3 million
Number of units: 154

Bakers Square, Denver-based Vicorp's fresh-baking family restaurant chain, has concluded its problematic conversion of 175 Sambo's units in California and Florida. Though Vicorp president Bob Benson says the protracted absorption of Sambo's "almost killed" Vicorp financially, the company now has 82 Bakers Square units in the potentially lucrative California market, where none existed only three years ago.

Bakers Square, which grew out of Pillsbury's former Poppin' Fresh chain in the Midwest, now has the breathing room to focus on building consumer awareness in the critical California market. That will be done through "step-by-step guerrilla marketing," Benson says. Despite industrywide hyperbole about the take-out boom, Benson says his chain's sales of fresh-baked pies and other bakery items may have reached a temporary plateau, albeit "at a very healthy level."

Although stabilization of Bakers Square's recent growing pains is an obvious priority for Vicorp, the chain continues to grow through conversions of a handful of units in its sister Village Inn chain. In addition, Bakers Square plans to add eight new units in the Midwest in the coming year. The slowdown in growth expectations at several chains, Shoney's in particular, indicates that "a healthy degree of sanity is returning" to a family restaurant segment that is overbuilt in many regions, Benson says.

87

Chain: Stuart Anderson's Black Angus
Headquarters: Los Altos, Calif.
Annual sales: \$190 million
Sales per unit: \$2.2 million
Number of units: 85
Average per-person check: \$13.50

If beef is indeed making a comeback, Stuart Anderson's Black Angus and Cattle Co. restaurants could be in for quite a year, even if systemwide sales are slashed by a decrease in the num-



The dining room at a typical Quality Inns hotel.

Quality Inns' 1988 expansion plans call for the addition of 200 lodging properties throughout the United States and 60 in Europe and the Pacific.



Julia A. Stewart

'We're pushing grilled giant prawns, deep-fried shrimp, fresh rainbow trout, and lobster tail as well as beef,' says Julia Stewart of Stuart Anderson's.

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ber of units. The 85-unit, 11-state chain, which specializes in aged roast prime rib of beef and U.S.D.A. choice steaks, reports that overall beef consumption in its restaurants is up 5 percent from year-ago levels.

However, to leverage itself against another possible downturn in beef consumption, Stuart Anderson's is emphasizing surf as well as turf—which has helped increase the average per-person check from \$12.95 in fiscal 1987 to \$13.50 this year. "We're pushing grilled giant prawns, deep-fried shrimp, fresh rainbow trout, and lobster tail as well as beef," says Julia Stewart, Stuart Anderson's vice president of marketing.

In the last year, Stuart Anderson has scaled back the chain from 118 to 85 by selling off 33 units to Marriott, which has since sold them to Ground Round. Ground Round plans to convert the Black Angus units to its concept, according to Stewart.

88

Chain: Krystal
Headquarters: Chattanooga, Tenn.
Annual sales: \$186 million
Sales per unit: \$790,000
Number of units: 235
Average per-person check: \$2.65

Krystal, the budget burger chain, is testing in five locations a 59-cent breakfast sandwich that will be rolled out later this year if sales continue to build. The product, called "The Sunrise," consists of cheese, sausage, and egg and is served on a hamburger bun.

The chain has halted the expansion of its Krystal Kwik drive-thru-only kiosk concept because of a dearth of managers, a company spokesman said. There are currently 10 Krystal Kwik units.

89

Chain: Country Kitchen
Headquarters: Minneapolis
Annual sales: \$184 million
Sales per unit: \$648,000
Number of units: 260
Average per-person check: \$3.70

Confident that its "country" image and budget pricing represent potential marketing advantages over such chains as Denny's and Big Boy, officials of the Country Kitchen chain say they are undaunted by uncertainties about the national economy and the family restaurant segment. In addition, Country Kitchen sees growth potential in its new sister lodging chain, the fledgling Country Hospitality Inns. Currently three such budget-rate hotels exist, only one of which has a Country Kitchen restaurant. However, half of the projected 30 new Inns on the drawing boards would have Country Kitchen restaurants.

The restaurant chain got a recent boost from the rollout of "stuffers," a less-than-\$4 line of french bread sandwiches containing pot roast, chicken pot pie, or barbecue beef fillings. They were succeeded by "cool stuffers," a similarly priced summer season line of cantaloupe halves stuffed with either fruit salad, seafood and pasta salad, or chicken salad. The items have generated between 2 percent and 6 percent of sales, according to marketing vice president Alan Post. "In a menu that's as varied as ours, that's significant," Post says.

Along with "skillet" dinners and breakfasts, the \$4-range items have helped boost check averages, Post adds. That trend may continue with the fall rollout of a \$5 pot roast item

with carrots, potatoes, and onions, which "fits the Country Kitchen image," Post remarks.

90

Chain: Circle K
Headquarters: Phoenix, Ariz.
Annual sales: \$182.2 million
Sales per unit: \$561,442
Number of units: 4,077
Average per-person check: \$2.20

The Circle K Corp. should have no trouble reaching its goal of 5,000 stores by 1990 if the recent pace of acquisition is maintained.

In April, before the end of fiscal 1988, Circle K acquired 500 stores from Southland Corp. Its deal to buy The Charter Co. during fiscal 1989 adds 532 more. Charter units wear various operating names, including Mr. B's, Super Test, and Old Colony, from Florida through New England.

Sales at all units for the 1988 year that ended April 30 were \$2.6 billion. Only 50 of the stores, which average \$2.20 per transaction, are franchised. More franchised units are about to be added as The Riese Organization, which operates more than 200 franchised restaurants in New York, begins opening Circle K stores in Manhattan and other boroughs.

91

Chain: Wyatt Cafeterias
Headquarters: Dallas
Annual sales: \$181 million
Sales per unit: \$1.5 million
Number of units: 122
Average per-person check: \$4.50

After dropping its test of a breakfast program, Wyatt Cafeterias is adding take-out counters to the four new units scheduled to open this year following a rise in sales at units where carryout service was tested.

The chain says it is also adding take-out counters to some older units.

Last year Wyatt, with locations in the depressed Oil Patch states, reported its first earnings decline in more than 20 years. However, a slight dip in food costs as a result of declining transportation costs may help margins this year.

92

Chain: Bojangles' Chicken 'N Biscuits
Headquarters: Charlotte, N.C.
Annual sales: \$180 million
Sales per unit: \$818,000
Number of units: 220
Average per-person check: \$3.20

Carabo Inc. has signed an agreement to purchase the 220-unit Bojangles' Chicken 'N Biscuits fast-food chain from Horn & Hardart Co. for \$16 million in cash and \$4 million in a senior subordinated note for the name, 39 company-owned restaurants, and the franchising system. The Greenville, S.C.-based Carabo is the largest Bojangles' franchisee, with 21 restaurants.

Purchased by Horn & Hardart in 1981, Bojangles' grew from 50 units to 350 units, and at one point it challenged Popeyes for the No. 3 spot in the fast-food chicken segment, behind Kentucky Fried Chicken and Church's. But overexpansion coupled with poor site selection and loss of controls hurt the chain, and Horn & Hardart began taking remedial steps. It diversified the menu and closed unprofitable units, reduced overhead, and hung up the For Sale sign.

The sale of Bojangles' leaves Horn & Hardart with its huge direct-mail catalog business, the 90-unit International King's Table, 23 Arby's, 11 Burger Kings, seven Tony Roma's, and two Dine-O-Mat diners and one Automat in New York.

93

Chain: Concession Air
Headquarters: Grand Prairie, Texas
Annual sales: \$180 million
Sales per unit: \$3.7 million
Number of units: 49

Concession Air is working out of temporary quarters at Newark International Airport and Boston's Logan International Airport while it develops multiunit operations studded with landmark-inspired theme restaurants and bars and franchised units of national and regional fast-food chains.

McDonald's, Sbarro's Italian Eatery, Au Bon Pain, and the Pastrami Factory are four of the 11 chains that have agreed to open units in Concession Air-managed terminals. The Boston Commons Bar & Grill is to be one of the theme concepts at Logan.

Concession Air's Kim Peacock says her company will assume food-and-beverage duties at McArthur Airport in Islip, N.Y., this summer. It is also scheduled to start up concessions in the new terminal at Palm Beach International Airport this fall and in the new terminal at San Jose International Airport next year, she says.

94

Chain: Western Steer Family Steakhouse
Headquarters: Claremont, N.C.
Annual sales: \$179.6 million
Sales per unit: \$966 thousand
Number of units: 192

After changing management twice in the past year, Western Steer is preoccupied with controlling both quality and higher food costs of its All-American Food Bar and launching a more aggressive franchising program.

The chain added the hot-and-cold buffet, which now contains more than 50 items, in 1986, following the lead of such competitors as Sizzler and Ponderosa. Steaks continue to be big sellers.

Western Steer is likely to add still more items to the food bar, which has increased sales volume.

95

Chain: Fuddruckers
Headquarters: San Antonio, Texas
Annual sales: \$178 million
Sales per unit: \$1.3 million
Number of units: 137
Average per-person check: \$5.38

Gourmet burgers do not a chain make anymore, so Fuddruckers has expanded its menu to include breakfast products, such as cinnamon rolls and muffins, three salads, a fajita dinner, and chicken and fish sandwiches.

Fuddruckers also has chicken wings, a fajita salad, a barbecue chicken breast, and 30 flavors of frozen alcoholic beverages in a three-store test in Houston.

The new items not only have helped diversify Fuddruckers but also have boosted the average per-person check from \$5.11 in fiscal 1987 to \$5.38 this year, according to marketing director Frank Fazio. The 137-unit chain, however, still sells more burgers than anything else.



A Western Steer sign.

Western Steer added the hot-and-cold buffet, which now contains more than 50 items, in 1986, following the lead of such competitors as Sizzler and Ponderosa. Steaks continue to be big sellers.



Fuddruckers has added breakfast items, such as cinnamon rolls.

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96

Chain: Coco's
Headquarters: Irvine, Calif.
Annual sales: \$168 million
Sales per unit: \$1.1 million
Number of units: 153
Average per-person check: \$4.65

Using a televised series of \$7.95 dinner promotions, Coco's has achieved the elusive family restaurant segment's goal of boosting evening sales to levels surpassing those of breakfast. Moreover, the 2-year-old rotating effort at marketing either prime rib, steak and lobster, steak and shrimp, or shrimp brochettes has "really kicked up the per-person check," according to operations vice president Ken Bell.

Coco's, the leading midscale concept of dinner-house giant Restaurant Enterprises Group Inc., will continue to promote "anything that's under \$8," Bell says. "Anything higher is perceived as 'dinner house' [pricing]." In July brochettes of steak, chicken, and shrimp were rolled out to complement recent "more modern" menu upgrades, including the use of fresh vegetables and hand-breaded onion rings.

The chain is continuing its \$75,000-per-store addition of an in-store bakery department, which supplies such menu and take-out items as pies, muffins, cookies, corn bread, cream puffs, quiche, and pot pies. Fifty-five of 80 Cocos in California have thus far been equipped with the bakeries.

97

Chain: A&W Restaurants
Headquarters: Dearborn, Mich.
Annual sales: \$162 million
Sales per unit: \$300,556
Number of units: 539
Average per-person check: \$2.50

In an effort to remake a chain that once numbered 3,600 units, A&W is rolling out a new prototype unit and is testing a variety of products, including

a prepackaged salad.

The chain, which sells its branded root beer, has developed a new unit that includes about 90 seats and a drive-thru window. A&W expects to open 25 franchised units this year as a result of a franchising program begun in 1985.

"We're down to a core of stores," a company spokesman says. "Our job is to salvage the chain and remake the company."

98

Chain: Ogden Allied Aviation Services
Headquarters: New York
Annual sales: \$160 million
Sales per flight kitchen/airport concession: \$8.88 million
Number of flight kitchens and airport concessions: 18

The shrinking labor market has changed the way Ogden Allied Aviation Services hunts for food-service workers.

William F. Smith, vice president of food-service operations, says recruitment and screening, once tackled at the corporate and unit levels, are now handled by "regional employment centers." "Help Wanted" ads, he says, are no longer run only in large daily newspapers. "We do it [advertise] in the ethnic papers as well," he explains.

Ogden approaches catering, by far the largest part of its aviation feeding business, by "gearing its services to the individual needs of the customer," Smith says. As an example, he points out, Ogden hired Filipino chefs to work on the Philippine Airlines accounts the caterer recently took over at three airports.

99

Chain: Po' Folks
Headquarters: Nashville, Tenn.
Annual sales: \$160 million
Sales per unit: \$1 million

For Parris Girves' Brown Derby steakhouse chain, it's business as usual. The president and sole spokesman for the private company has maintained systemwide sales, revenue, number of units, sales per unit and per-person check averages for the last few years.

And Girves hasn't ventured far from Ohio, where the majority of Brown Derby's 54 units are located and where another five are scheduled to open this year.

After a failed experiment with Brown Derby Encore Grill, a concept featuring seafood, chicken, and tapas, Girves is concentrating solely on his roots—meat and potatoes. The grill concept, however, is not dead: Girves plans to open another in northeast Ohio this year.

Chain: Sbarro
Headquarters: Commack, N.Y.
Annual sales: \$148 million
Sales per unit: \$465,000
Number of units: 318
Average per-person check: \$3.85

Sbarro, the operator and franchisor of shopping mall-based Italian restaurants, will clone its fast-food pizza, calzone, and salad concept in 65 more locations during fiscal 1988 ending Dec. 31.

A franchise deal with Marriott Corp. will see the opening of 20 Sbarro restaurants similar to the unit launched in

Number of units: 155
Average per-person check: \$4.70

In the wake of financial chaos following its 400-percent growth surge over five years, Po' Folks Inc. has settled into a period of stabilization, emphasizing staff development and the basic fried-chicken, country-fried steak, and fried-catfish menu on which the chain's reputation was built.

An exception will be unit openings in San Diego and Los Angeles during fiscal 1988 ending Sept. 30. Po' Folks will finish its year with 155 stores—down from a high of 170—37 of them company owned.

Following a consolidation, the chain will branch out slowly with no intention to again outstrip its human resources. Hearty Home Style Cooking, the name given to its basic menu, includes the year-old meat loaf introduction.

100

Chain: Houlihan's
Headquarters: Kansas City, Mo.
Annual sales: \$153 million
Sales per unit: \$2.8 million
Number of units: 55
Average per-person check: \$9.70

Three years ago Fred Hipp, president of Houlihan's casual dining division, predicted that the segment must "adapt or lose."

Today the 55-unit chain is still adapting to the changing needs of a maturing adult marketplace. The "lite menu," implemented in June 1984, is now a critical part of Houlihan's menu design. Salads, stir-fry items, and shrimp have become as important to this chain and segment as are burgers, fries, and ice cream.

The evolving menu is driving Houlihan's annual sales up \$7 million, to \$153 million, in fiscal 1987. Per-person checks have jumped 20 cents, to \$9.70, and annual sales per-unit have been boosted to \$2.78 million, an \$80,000 increase over last year's figure.



A&W's signature item—root beer.

A&W, which sells its branded root beer, has developed a new unit that includes about 90 seats and a drive-thru window.

Certain chains whose systemwide sales narrowly missed the Top 100 cut-off of \$153 million could indeed earn a berth on the list if fortuitous events should shift sales upward or projected results for some Top 100 chains prove to be overly optimistic.

For that reason, presented here are thumbnail descriptions of the leading also-rans and their strategies for breaking into the Top 100.

Chain: Tastee Freez International
Headquarters: Utica, Mich.
Annual sales: \$152.3 million
Sales per unit: \$296,000
Number of units: 515

Tastee Freez International will fight flat sales this year by expanding its gourmet ice-cream line and rolling out new products: ice cream pies and cakes.

The chain will also open at least two more dual-concept units with Mister Donut, the subsidiary of International Multifoods, bringing total twinned units to five.

Tastee Freez plans to introduce three new gourmet ice cream flavors this year: grand marnier, amaretto, and apricot brandy.

Chain: Girves Brown Derby
Headquarters: Cleveland
Annual sales: \$148.5 million
Sales per unit: \$2.7 million
Number of units: 54
Per-person check average: \$7

March on the Delaware Turnpike. The company is also investigating sites for its first free-standing operation, and is exploring airports and downtown locations for further expansion.

Sbarro's narrow menu focuses on pizza, pasta, calzones, sandwiches and salads. Signature items include the \$2.79 Sausage Roll and \$1.60 Cheesecake. The restaurants push Italian authenticity, homemade freshness, and large portions.

Chain: Shakey's Pizza
Headquarters: Irving, Texas
Annual sales: \$146.7 million
Sales per unit: \$620,904
Number of units: 232

For a fourth straight year, Shakey's Pizza Restaurants is expected to drop units but maintain sales as older, less efficient restaurants give way to new, high-volume stores.

Since 1985, number of units has dropped 16 percent, to 232, but systemwide sales have increased 9 percent, to \$146.7 million.

Under its back-to-basics strategy, Shakey's is retraining franchisees and reformulating basic products such as its pizza sauce. The chain is also placing new importance on light and healthy fare, stocking its salad bar with fruit, pastas and coleslaw, and trading fried and starchy buffet foods, such as potatoes, for steamed vegetables and the

like.

Chain: Restaura
Headquarters: Phoenix, Ariz.
Annual sales: \$144.9 million
Sales per contract: \$664,679
Number of contracts: 218

Because of the steady decline in the domestic manufacturing labor force, Restaura, Greyhound Corp.'s contract feeding company, has tried in recent years to distance itself from "Smokestack America" by chasing so-called "white collar" contracts.

Now, in a twist related to changing tax laws, white collar companies such as high-tech firms and financial institutions are approaching Restaura first.

Greyhound Food Management Inc. president Joseph K. Fassler says the recent loss of tax benefits related to subsidized food service at work has prompted a growing number of employers to dump contractors paid on a cost-plus basis.

Companies such as Restaura, which operates about 80 percent of its accounts on a profit-and-loss basis, are being called on more frequently to replace subsidized contractors or to initiate food services, he said.

The backlash against subsidies has helped Restaura gain 32 accounts in 18 months, Fassler said, adding, "You don't [ordinarily] do that with nine sales reps."

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GROWTH SLOWS AT BURGER BIGGIES

The slowdown in sales growth evident for the Top 100 chains as a whole is sharply evident in the food-service industry's largest segment, the quick-service hamburger market. Top 100 burger specialists are collectively taking in only 8.8 percent more in sales this year than they did in 1987, when sales rose at a 12.3-percent gait.

Even McDonald's is slowing down, with systemwide sales projected to grow by 9.9 percent this year, compared with the 15.2-percent jump registered in 1987. The giant's unit sales are expected to inch upward by only 4.5 percent, with menu price hikes accounting for a big chunk of the increase.

Nevertheless, McDonald's is extending its dominance of the hamburger market. Top 100 chains within the segment are expected to raise their aggregate systemwide sales by \$2.5 billion this year. McDonald's is projected to generate \$1.4 billion of that tally.

In addition, McDonald's three closest competitors—Burger King, Hardee's, and Wendy's—are all losing market share to the segment behemoth.

HAMBURGER CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1988	1987	1986
1	1	McDonald's	Dec.	\$15,750.0	\$14,330.0	\$12,432.0
2	2	Burger King	May	5,300.0	5,000.0	4,500.0
3	3	Hardee's	Dec.	3,300.0	3,063.6	2,676.4
4	4	Wendy's	Jan.	3,000.0	2,868.0	2,747.2
5	5	Jack in the Box	Sept.	780.0	655.0	588.0
6	6	Roy Rogers	Dec.	575.0	525.0	490.0
7	8	Carl's Jr.	Jan.	399.3	343.6	335.7
8	7	Rax	July	390.0	358.3	328.9
9	9	Sonic Drive-In	Aug.	350.0	301.5	290.6
10	11	Whataburger	Sept.	310.0	260.0	230.0
11	10	White Castle	Dec.	300.0	282.6	268.5
12	12	Krystal	Dec.	186.0	184.0	174.0
13	14	Fuddruckers	Dec.	178.0	142.5	110.5
14	13	A&W	Dec.	162.0	154.0	156.0
Total:				\$30,980.3	\$28,468.1	\$25,327.8

Source: NRN Research

HAMBURGER CHAINS RANKED BY MARKET SHARE*

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	1	McDonald's	Dec.	51.11%	50.61%	49.39%
2	2	Burger King	May	17.20	17.66	16.22
3	3	Hardee's	Dec.	10.71	10.82	9.94
4	4	Wendy's	Jan.	9.73	10.13	9.31
5	5	Jack in the Box	Sept.	2.53	2.31	2.13
6	6	Roy Rogers	Dec.	1.87	1.85	1.70
7	8	Carl's Jr.	Jan.	1.30	1.21	1.11
8	7	Rax	July	1.27	1.27	1.31
9	9	Sonic Drive-In	Aug.	1.14	1.06	0.98
10	11	Whataburger	Sept.	1.01	0.92	0.84
11	10	White Castle	Dec.	0.97	1.00	0.92
12	12	Krystal	Dec.	0.60	0.65	0.60
13	14	Fuddruckers	Dec.	0.58	0.50	0.46
14	13	A&W	Dec.	0.53	0.54	0.50

*Segment sales total includes only the intake of chains ranking within the Top 100, and market share figures reflect only Top 100 chains' percentage of that tally.

Source: NRN Research

HAMBURGER CHAINS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	McDonald's	Dec.	\$1,570.0	\$1,502.0	\$1,369.0
2	2	Fuddruckers	Dec.	1,300.0	1,250.0	1,050.0
3	3	White Castle	Dec.	1,204.8	1,234.1	1,220.6
4	4	Burger King	May	1,025.0	1,017.0	1,009.0
5	9	Carl's Jr.	Jan.	939.8	772.0	739.1
6	5	Roy Rogers	Dec.	935.0	900.0	875.0
7	6	Hardee's	Dec.	930.0	877.0	837.0
8	8	Jack in the Box	Sept.	900.0	797.4	723.7
9	7	Whataburger	Sept.	840.0	800.0	760.0
10	10	Krystal	Dec.	790.0	750.0	733.0
11	11	Wendy's	Jan.	780.0	741.0	754.0
12	12	Rax	July	715.0	702.0	689.0
13	13	Sonic Drive-In	Aug.	355.0	318.0	310.0
14	14	A&W	Dec.	300.6	283.9	285.2
Average:				\$ 898.9	\$ 853.9	\$ 811.0

Source: NRN Research

HAMBURGER CHAINS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Units		
				1988	1987	1986
1	1	McDonald's	Dec.	10,420	9,911	9,410
2	2	Burger King	May	5,600	5,179	4,743
3	3	Wendy's	Jan.	3,950	3,816	3,727
4	4	Hardee's	Dec.	3,000	2,912	2,711
5	5	Sonic Drive-In	Aug.	978	948	948
6	6	Jack in the Box	Sept.	970	897	849
7	7	Roy Rogers	Dec.	610	556	552
8	9	Rax	July	555	520	496
9	8	A&W	Dec.	539	524	547
10	10	Whataburger	Sept.	470	445	410
11	11	Carl's Jr.	Jan.	444	436	456
12	13	White Castle	Dec.	249	229	220
13	12	Krystal	Dec.	235	243	236
14	14	Fuddruckers	Dec.	137	114	105
Total:				28,157	26,730	25,412

Source: NRN Research

FOCUS | TOP 100

SIZZLER TAKES REINS IN STEAK GROUP

The current year is proving to be a difficult one for Top 100 chains in the steak-house segment, with growth in aggregate systemwide sales slowing in 1988 to 11.4 percent from the 14.7-percent pace clocked in 1987.

What's more, a significant portion of that growth appears to be coming from the chains' opening of 174 more units—a year-to-year increase of 5.1 percent—and sales gains by the segment's new leader, Sizzler. Buoyed by a 11.3-percent year-to-year rise in average sales per unit, the Los Angeles-based, 587-unit chain bumped Ponderosa out of the top slot in the systemwide-sales ranking. Ponderosa's per-store intake slipped by 3.4 percent.

Average sales per unit for the whole group of Top 100 steak-house chains are leveling off, with only a 2.5-percent increase anticipated.

STEAK-HOUSE CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1988	1987	1986
1	2	Sizzler	April	\$ 751.5	\$ 632.5	\$ 505.0
2	1	Ponderosa	Feb.	699.7	650.6	597.7
3	3	Bonanza	Dec.	596.0	529.5	458.4
4	4	Western Sizzlin'	Oct.	487.5	466.2	442.6
5	5	Golden Corral	Dec.	470.7	428.8	362.0
6	7	Ryan's	Dec.	240.0	185.0	125.0
7	6	Quincy's	Dec.	235.0	221.5	207.4
8	8	Western Steer	Feb.	179.6	170.6	166.2
Total:				\$3,660.0	\$3,284.7	\$2,864.3

Source: NRN Research

STEAK-HOUSE CHAINS RANKED BY MARKET SHARE*

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	2	Sizzler	April	20.53%	19.26%	17.63%
2	1	Ponderosa	Feb.	19.12	19.81	20.87
3	3	Bonanza	Dec.	16.28	16.12	16.00
4	4	Western Sizzlin'	Oct.	13.32	14.19	15.45
5	5	Golden Corral	Dec.	12.86	13.05	12.64
6	7	Ryan's	Dec.	6.56	5.63	4.36
7	6	Quincy's	Dec.	6.42	6.74	7.24
8	8	Western Steer	Feb.	4.91	5.19	5.80

*Segment sales total includes only the intake of chains ranking within the Top 100, and market share figures reflect only Top 100 chains' percentage of that tally.

Source: NRN Research

STEAK-HOUSE CHAINS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	Ryan's Family Steak	Dec.	\$2,250.0	\$2,344.0	\$2,159.0
2	2	Sizzler Restaurants	April	1,460.0	1,312.0	1,237.0
3	3	Quincy's Family Steak House	Dec.	1,093.0	1,030.0	952.0
4	4	Ponderosa Steakhouses	Feb.	1,025.0	1,061.0	949.0
5	5	Western Steer	Feb.	966.0	921.0	899.0
6	6	Bonanza	Dec.	960.0	918.0	840.0
7	7	Golden Corral	Dec.	922.6	861.6	786.7
8	8	Western Sizzlin'	Oct.	792.7	790.2	779.2
Average:				\$1,183.7	\$1,154.7	\$1,075.2

Source: NRN Research

STEAK-HOUSE CHAINS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Units		
				1988	1987	1986
1	1	Ponderosa	Feb.	690	653	615
2	2	Bonanza	Dec.	650	600	563
3	3	Western Sizzlin'	Oct.	615	590	568
4	4	Sizzler	April	587	548	488
5	5	Golden Corral	Dec.	505	516	480
6	6	Quincy's	Dec.	215	215	218
7	7	Western Steer	Feb.	192	184	186
8	8	Ryan's	Dec.	121	95	70
Total:				3,575	3,401	3,188

Source: NRN Research

FOCUS | TOP 100

PIZZA SEGMENT GROWS BY BOUNDS

The seven pizza chains ranking in the Top 100 are expected to post aggregate systemwide sales this year of \$7.4 billion, outstripping the 1987 tally by 16 percent. The increase appears to be coming at the expense of other segments, with the Top 100 pizza systems accounting for 9 percent of all Top 100 chains' aggregate sales in 1988, compared with a 8.4-percent share for the prior year.

Fueling the growth is a 15.6-percent spurt in the number of units operated by the Top 100 pizza chains. During 1987, the tally grew by 12.4 percent.

The segment's three leading chains—Pizza Hut, Domino's, and Little Caesars—are expected to collectively develop 1,476 stores, or almost 94 percent of the 1,581 stores that have been scheduled to open this year by the Top 100 pizza chains.

Although the chains' per-unit sale average is expected to grow by only 3.5 percent this year, that increase compares very favorably with the slight decline posted for 1987.

PIZZA CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1988	1987	1986
1	1	Pizza Hut	Dec.	\$3,000.0	\$2,600.0	\$2,260.0
2	2	Domino's Pizza	Dec.	2,300.0	1,977.0	1,567.0
3	3	Little Caesars Pizza	Dec.	1,000.0	725.0	520.0
4	4	Pizza Inn	June	330.0	310.0	278.7
5	6	Round Table Pizza	June	280.7	250.0	228.0
6	5	Godfather's Pizza	May	245.0	275.0	260.0
7	7	ShowBiz/Chuck E. Cheese	Dec.	240.0	236.0	240.0
Total:				\$7,395.7	\$6,373.0	\$5,353.7

Source: NRN Research

PIZZA CHAINS RANKED BY MARKET SHARE*

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	1	Pizza Hut	Dec.	40.56%	40.80%	42.21%
2	2	Domino's Pizza	Dec.	31.10	31.02	29.27
3	3	Little Caesars Pizza	Dec.	13.52	11.38	9.71
4	4	Pizza Inn	June	4.46	4.86	5.21
5	6	Round Table Pizza	June	3.80	3.92	4.26
6	5	Godfather's Pizza	May	3.31	4.32	4.86
7	7	ShowBiz/Chuck E. Cheese	Dec.	3.25	3.70	4.48

Segment sales total includes only the intake of chains ranking within the Top 100, and market share figures reflect only Top 100 chains' percentage of that tally.

Source: NRN Research

PIZZA CHAINS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	ShowBiz/Chuck E. Cheese	Dec.	\$905.7	\$890.5	\$875.9
2	2	Pizza Hut	Dec.	540.0	510.0	500.0
3	3	Round Table Pizza	June	515.0	500.0	490.0
4	5	Pizza Inn	June	450.0	430.0	457.0
5	4	Domino's Pizza	Dec.	439.0	432.0	480.0
6	7	Little Caesars Pizza	Dec.	421.0	398.4	397.6
7	6	Godfather's	May	414.0	400.0	375.0
Average:				\$526.4	\$508.7	\$510.8

Source: NRN Research

PIZZA CHAINS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Units		
				1988	1987	1986
1	1	Pizza Hut	Dec.	5,900	5,400	5,100
2	2	Domino's Pizza	Dec.	4,700	4,279	3,605
3	3	Little Caesars Pizza	Dec.	2,375	1,820	1,308
4	4	Pizza Inn	June	775	710	650
5	5	Godfather's Pizza	May	580	600	650
6	6	Round Table Pizza	June	575	515	500
7	7	ShowBiz/Chuck E. Cheese	Dec.	265	265	274
Total:				15,170	13,589	12,087

Source: NRN Research

FOCUS TOP 100

TRAFFIC DROPS AT FAMILY CHAINS

Despite radical changes at many of the top family restaurant chains, the segment continues to suffer from an erosion of customer traffic. The 15 operators included in the 1988 Top 100 ranking are garnering \$6.3 billion in sales this year, or a scant 4.8 percent more than they took in during 1987. Much of that increase stems from price hikes.

The malaise of the market is also evident in year-to-year comparisons of per-unit sales. The average for all Top 100 family restaurant chains is projected to barely top \$1 million, for a gain of only 2.9 percent from the prior year's tally.

Vexed by traffic slowdowns, many of the top family restaurants have undergone monumental changes in the past year. Segment leader Denny's slashed its payroll by more than 10 percent after TW Services acquired the chain; runner-up Big Boy split into two with Marriott's sale of franchise rights to Elias Bros.; Shoney's, in a stunning vote of no-confidence in the segment's growth opportunities, sharply curtailed growth to commit its resources to bolster per-store sales.

FAMILY RESTAURANT CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1988	1987	1986
1	1	Denny's	June	\$1,250.0	\$1,265.0	\$1,205.0
2	2	Big Boy	Dec.	1,030.0	1,027.0	974.7
3	3	Shoney's	Oct.	780.0	718.6	644.5
4	4	Friendly	Dec.	605.0	572.4	536.0
5	5	Perkins	Dec.	370.0	343.7	315.0
6	6	Int'l House of Pancakes	Dec.	328.7	297.5	265.6
7	7	Howard Johnson	April	265.0	250.0	292.5
8	8	Bob Evans Farms	April	259.2	221.3	176.3
9	9	Village Inn	Oct.	232.0	218.0	206.0
10	10	Marie Callender's Pie Shops	Dec.	230.5	206.4	204.0
11	11	Waffle House	June	210.0	189.4	174.9
12	15	Bakers Square	Oct.	190.0	156.0	130.3
13	13	Country Kitchen	Dec.	184.0	172.0	161.0
14	14	Coco's	Dec.	168.0	162.0	150.7
15	12	Po' Folks	Sept.	160.0	178.0	197.2
Total:				\$6,262.4	\$5,977.3	\$5,633.7

Source: NRN Research

FAMILY RESTAURANT CHAINS RANKED BY MARKET SHARE

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	1	Denny's	June	19.98%	21.16%	22.06%
2	2	Big Boy	Dec.	16.46	17.18	17.85
3	3	Shoney's	Oct.	12.47	12.02	11.80
4	4	Friendly	Dec.	9.67	9.58	9.81
5	5	Perkins	Dec.	5.91	5.75	5.77
6	6	Int'l House of Pancakes	Dec.	5.25	4.98	4.86
7	7	Howard Johnson	April	4.24	4.18	5.36
8	8	Bob Evans Farms	April	4.14	3.70	3.23
9	9	Village Inn	Oct.	3.71	3.65	3.77
10	10	Marie Callender's Pie Shops	Dec.	3.68	3.45	3.74
11	11	Waffle House	June	3.36	3.17	3.66
12	15	Bakers Square	Oct.	2.94	2.61	2.39
13	13	Country Kitchen	Dec.	2.94	2.88	2.95
14	14	Coco's	Dec.	2.69	2.71	2.76
15	12	Po' Folks	Sept.	2.56	2.98	0.00

Segment sales total includes only the intake of chains ranking within the Top 100, and market share figures reflect only Top 100 chains' percentage of that tally.

Source: NRN Research

FAMILY RESTAURANT CHAINS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	Marie Callender's Pie Shops	Dec.	\$1,612.0	\$1,588.0	\$1,650.0
2	2	Bob Evans Farms	April	1,400.0	1,370.0	1,365.0
3	3	Shoney's	Oct.	1,365.0	1,361.0	1,344.0
4	4	Bakers Square	Oct.	1,300.0	1,240.0	1,182.0
5	5	Perkins	Dec.	1,160.0	1,118.0	1,019.0
6	6	Coco's	Dec.	1,100.0	1,082.0	989.0
7	7	Big Boy	Dec.	1,100.0	1,070.0	1,070.0
8	8	Denny's	June	1,090.0	1,059.0	1,028.3
9	9	Po' Folks	Sept.	1,030.0	1,050.0	1,500.0
10	10	Village Inn	Oct.	918.0	873.0	848.0
11	11	Howard Johnson	April	795.0	750.0	750.0
12	12	Friendly	Dec.	715.0	683.0	689.0
13	13	Int'l House of Pancakes	Dec.	692.0	655.2	592.8
14	14	Country Kitchen	Dec.	648.0	641.0	622.0
15	15	Waffle House	June	350.0	303.0	306.0
Average:				\$1,018.3	\$ 989.5	\$ 997.0

Source: NRN Research

FAMILY RESTAURANT CHAINS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Unit		
				1988	1987	1986
1	1	Denny's	June	1,210	1,175	1,140
2	2	Big Boy	Dec.	960	960	911
3	3	Friendly	Dec.	860	842	829
4	5	Shoney's	Oct.	660	604	542
5	4	Waffle House	June	600	650	600
6	6	Int'l House of Pancakes	Dec.	475	454	448
7	7	Perkins	Dec.	345	334	328
8	8	Howard Johnson	April	320	320	390
9	9	Village Inn	Oct.	272	272	259
10	10	Country Kitchen	Dec.	260	251	251
11	11	Bob Evans Farms	April	201	175	150
12	12	Po' Folks	Sept.	155	170	176
13	13	Bakers Square	Oct.	154	138	116
14	14	Coco's	Dec.	153	150	153
15	15	Marie Callender's Pie Shops	Dec.	151	135	124
Total:				6,776	6,630	6,417

Source: NRN Research

FOCUS TOP 100

CHICKEN CHAINS EXPANSION SLOWS

A slowdown in the expansion of the major fast-food chicken chains is curbing systemwide sales growth for the poultry specialists to a 4.5-percent annual rate this year, compared with the 12.5-percent pace posted in 1987.

Overall, the six chicken chains included in the 1988 Top 100 are planning to open a total of only 326 stores this year, for an increase of only 3.1 percent. In contrast, the same chains added almost four times as many units, or 1,235 restaurants, in 1987.

The Top 100 chicken chains are feeling the ill effects of the segment's unbridled growth last year. Per-unit sales have hit a plateau, with the entire segment's average per-store figure likely to increase by a negligible 1.4 percent.

CHICKEN CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1988	1987	1986
1	1	Kentucky Fried Chicken	Dec.	\$4,300.0	\$4,100.0	\$3,500.0
2	2	Church's Chicken	Dec.	520.0	533.9	577.7
3	3	Popeye's Famous Fried Chicken	Oct.	485.0	460.0	400.0
4	4	Chick-fil-A	Dec.	226.0	202.7	182.8
5	5	Grandy's	Dec.	200.0	182.5	176.5
6	6	Bojangles' Chicken 'n Biscuits	Dec.	180.0	180.0	195.0
Total:				\$5,911.0	\$5,659.1	\$5,032.0

Source: NRN Research

CHICKEN CHAINS RANKED BY MARKET SHARE

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	1	Kentucky Fried Chicken	Dec.	72.75%	72.45%	69.55%
2	2	Church's Chicken	Dec.	8.80	9.43	11.48
3	3	Popeye's Famous Fried Chicken	Oct.	8.21	8.13	7.95
4	4	Chick-fil-A	Dec.	3.82	3.58	3.63
5	5	Grandy's	Dec.	3.38	3.22	3.51
6	6	Bojangles' Chicken 'n Biscuits	Dec.	3.05	3.18	3.88

Segment sales total includes only the intake of chains ranking within the Top 100, and market share figures reflect only Top 100 chains' percentage of that tally.

Source: NRN Research

CHICKEN CHAINS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	Grandy's	Dec.	\$926.0	\$917.0	\$987.0
2	2	Bojangles' Chicken 'n Biscuits	Dec.	818.0	818.0	640.0
3	3	Popeye's Famous Fried Chicken	Oct.	720.0	710.0	730.0
4	4	Kentucky Fried Chicken	Dec.	672.0	659.0	623.0
5	5	Chick-fil-A	Dec.	600.0	574.4	539.7
6	6	Church's Chicken	Dec.	360.0	361.1	391.5
Average:				\$682.7	\$673.3	\$651.9

Source: NRN Research

CHICKEN CHAINS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Units		
				1988	1987	1986
1	1	Kentucky Fried Chicken	Dec.	7,800	7,522	6,575
2	2	Church's Chicken	Dec.	1,450	1,495	1,532
3	3	Popeye's Famous Fried Chicken	Oct.	739	703	618
4	4	Chick-fil-A	Dec.	393	363	346
5	6	Grandy's	Dec.	227	200	197
6	5	Bojangles' Chicken 'n Biscuits	Dec.	220	220	276
Total:				10,829	10,503	9,268

Source: NRN Research

FOCUS TOP 100

CONTRACT FEEDERS' SALES JUMP

Fueled by acquisitions, contract feeders and concessionaires included in this year's Top 100 ranking are raising their sales more quickly than are the top players in many of the food-service industry's other segments.

The 14 contract feeders in the Top 100 are projected to generate more than \$8.1 billion in sales this year, for a healthy 10.2 percent jump over the 1987 tally. However, contributing to that increase is an 8-percent rise in the number of cafeterias, dining rooms, flight kitchens, and airport concessions operated by the group.

Seiler Corp., for instance, posted a 36.4-percent rise in system sales but was buoyed by a 32.5-percent rise in the number of feeding contracts it holds. The company acquired three companies during fiscal 1988.

CONTRACT FEEDERS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1988	1987	1986
1	1	Marriott Food & Services Management	Dec.	\$1,897.3	\$1,701.2	\$1,130.1
2	2	ARA Services	Sept.	1,251.7	1,145.0	1,013.7
3	3	Marriott In-Flite Services/Host	Dec.	1,024.8	950.6	821.7
4	4	Canteen Corp.	Dec.	925.8	832.7	762.4
5	5	Service America Corp.	July	718.6	690.9	677.4
6	6	Dobbs	Dec.	449.2	419.8	386.3
7	7	Sky Chefs	Dec.	352.7	333.4	416.4
8	8	Morrison Custom Management	May	305.0	253.0	244.0
9	9	Ogden Allied Aviation Services	Dec.	241.0	210.0	187.5
10	12	Seiler Corp.	Aug.	225.0	165.0	160.0
11	11	Sportservice	Dec.	193.0	174.0	149.7
12	10	Daka	June	191.0	182.0	148.0
13	13	Concession Air	Dec.	180.0	160.0	37.8
14	14	Ogden Allied Services	Dec.	160.0	148.5	127.5
Total:				\$8,115.1	\$7,366.1	\$6,262.5

Source: NRN Research

CONTRACT FEEDERS RANKED BY MARKET SHARE

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Shares		
				1988	1987	1986
1	1	Marriott Food & Services Management	Dec.	23.38%	23.09%	18.05%
2	2	ARA Services	Sept.	15.42	15.54	16.19
3	3	Marriott In-Flite Services/Host	Dec.	12.63	12.91	13.12
4	4	Canteen Corp.	Dec.	11.41	11.30	12.17
5	5	Service America Corp.	July	8.86	9.38	10.82
6	6	Dobbs	Dec.	5.54	5.70	6.17
7	7	Sky Chefs	Dec.	4.35	4.53	6.65
8	8	Morrison Custom Management	May	3.76	3.43	3.90
9	9	Ogden Allied Aviation Services	Dec.	2.97	2.85	2.99
10	12	Seiler Corp.	Aug.	2.77	2.24	2.55
11	11	Sportservice	Dec.	2.38	2.36	2.39
12	10	Daka	June	2.35	2.47	2.36
13	13	Concession Air	Dec.	2.22	2.17	0.60
14	14	Ogden Allied Services	Dec.	1.97	2.02	2.04

Segment sales total includes only the intake of chains ranking within the Top 100, and market share figures reflect only Top 100 chains' percentage of that tally.

Source: NRN Research

CONTRACT FEEDERS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	Ogden Allied Aviation Services	Dec.	\$13,390.0	\$13,130.0	\$11,720.0
2	2	Sky Chefs	Dec.	10,100.0	9,810.0	7,180.0
3	3	Marriott In-Flite Services/Host	Dec.	9,490.0	8,800.0	7,470.0
4	4	Dobbs	Dec.	6,510.0	6,270.0	6,040.0
5	5	Concession Air	Dec.	3,670.0	3,400.0	1,990.0
6	6	Sportservice	Dec.	1,260.0	1,310.0	1,300.0
7	7	Ogden Allied Services	Dec.	1,090.0	1,080.0	1,020.0
8	8	Marriott Food & Services Management		920.0	897.3	597.6
9	10	ARA Services	Sept.	723.5	715.6	699.1
10	9	Service America Corp.	July	692.3	736.6	716.8
11	11	Canteen Corp.	Dec.	524.5	510.8	480.7
12	12	Daka	June	441.2	455.0	452.6
13	13	Seiler Corp.	Aug.	424.5	412.5	432.4
14	14	Morrison Custom Management	May	368.1	314.3	344.6
Average:				\$ 3,546.4	\$ 3,417.3	\$ 2,888.8

Source: NRN Research

CONTRACT FEEDERS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Units		
				1988	1987	1986
1	1	Marriott Food & Services Management		1,956	1,896	1,891
2	2	Canteen Corp.	Dec.	1,765	1,630	1,586
3	3	ARA Services	Sept.	1,730	1,600	1,450
4	4	Service America Corp.	July	1,038	938	945
5	5	Morrison Custom Management	May	840	805	708
6	7	Seiler Corp.	Aug.	530	400	370
7	6	Daka	June	430	400	327
8	9	Sportservice	Dec.	153	133	115
9	8	Ogden Allied Services	Dec.	147	137	125
10	10	Marriott In-Flite Services/Host	Dec.	108	108	110
11	11	Dobbs	Dec.	69	67	64
12	12	Concession Air	Dec.	49	47	19
13	13	Sky Chefs	Dec.	35	34	58
14	14	Ogden Allied Aviation Services	Dec.	18	16	16
Total:				8,868	8,211	7,784

Source: NRN Research

FOCUS TOP 100

DINNER HOUSES FIGHT SALES SLUMP

The 10 dinner-house chains finishing in the Top 100 ranking are virtually halting expansion this year in an attempt to pull out of the segment's prolonged sales slump.

With several operators committed to closing stores, the top 10 players are projected to operate a total of 1,776 dinner houses by year-end, or only two more than were open on Dec. 31, 1988.

Only Chili's is seeking to add more than a handful of units, with expansion plans calling for the Dallas-based chain to grow by 22.8 percent.

Dampening expansion plans is a traffic decline that will hold the top 10 player's aggregate sales growth this year to 2.7 percent.

Increases in per-unit sales are projected to average only 3.2 percent.

DINNER-HOUSE CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1988	1987	1986
1	1	Red Lobster	May	\$1,000.1	\$ 976.0	\$ 875.0
2	2	Bennigan's	May	500.0	450.0	425.0
3	3	Chi-Chi's	Sept.	468.0	440.0	415.0
4	5	T.G.I. Friday's	Jan.	405.0	364.0	349.0
5	4	El Torito	Dec.	378.0	420.0	390.0
6	8	Ground Round	Oct.	260.0	227.7	212.5
7	9	Chili's Grill & Bar	June	253.0	193.0	123.0
8	7	Steak and Ale	May	225.0	250.0	260.0
9	6	Stuart Anderson's	Dec.	190.0	265.0	261.0
10	10	Houlihan's	Dec.	153.0	146.0	125.0
Total:				\$3,832.1	\$3,731.7	\$3,435.5

Source: NRN Research

DINNER-HOUSE CHAINS RANKED BY MARKET SHARE

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	1	Red Lobster	May	26.10%	26.15%	25.47%
2	2	Bennigan's	May	13.05	12.06	12.37
3	3	Chi-Chi's	Sept.	12.21	11.79	12.08
4	5	T.G.I. Friday's	Jan.	10.57	9.75	10.16
5	4	El Torito	Dec.	9.86	11.25	11.35
6	8	Ground Round	Oct.	6.78	6.10	6.19
7	9	Chili's Grill & Bar	June	6.60	5.17	3.58
8	7	Steak and Ale	May	5.87	6.70	7.57
9	6	Stuart Anderson's	Dec.	4.96	7.10	7.60
10	10	Houlihan's	Dec.	3.99	3.91	3.64

Segment sales total includes only the intake of chains ranking within the Top 100, and market share figures reflect only Top 100 chains' percentage of that tally.

Source: NRN Research

DINNER-HOUSE CHAINS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Units		
				1988	1987	1986
1	1	Red Lobster	May	400	389	382
2	2	Bennigan's	May	215	207	196
3	5	Ground Round	Oct.	215	191	199
4	4	Chi-Chi's	Sept.	191	195	180
5	3	El Torito	Dec.	180	203	196
6	6	Steak and Ale	May	160	175	175
7	9	Chili's Grill & Bar	June	140	114	80
8	7	T.G.I. Friday's	Jan.	135	128	125
9	8	Stuart Anderson's	Dec.	85	118	117
10	10	Houlihan's	Dec.	55	54	53
Total:				1,776	1,774	1,703

Source: NRN Research

DINNER-HOUSE CHAINS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	T.G.I. Friday's	Jan.	\$3,000.0	\$2,900.0	\$2,900.0
2	2	Houlihan's	Dec.	2,780.0	2,700.0	2,500.0
3	3	Red Lobster	May	2,600.0	2,500.0	2,400.0
4	5	Chi-Chi's	Sept.	2,450.0	2,200.0	2,200.0
5	4	Bennigan's	May	2,200.0	2,200.0	2,300.0
6	6	Stuart Anderson's	Dec.	2,200.0	2,200.0	2,200.0
7	7	El Torito	Dec.	2,100.0	2,069.0	2,100.0
8	8	Chili's Grill & Bar	June	1,990.0	1,970.0	1,880.0
9	9	Steak and Ale	May	1,400.0	1,400.0	1,500.0
10	10	Ground Round	Oct.	1,300.0	1,192.0	1,068.0
Average:				\$2,001.8	\$1,939.2	\$1,913.5

Source: NRN Research

FOCUS TOP 100

CAFETERIAS ACCELERATE EXPANSION

The nation's five largest cafeteria chains are countering the segment's ongoing sales sluggishness by slightly accelerating expansion.

Collectively, the five plan to grow by 4.8 percent this year through the opening of 31 cafeterias. In contrast, the group operated only three units more in 1987 than in 1986.

Systemwide sales for the Top 100 cafeteria chains are projected to total \$1.2 billion this year, for a year-to-year increase of 6.3 percent. But volume is virtually flat at the unit level, with the segment's 1988 per-store average expected to top the 1987 mean by a scant 1.6 percent.

CAFETERIA CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1988	1987	1986
1	1	Morrison's Cafeterias	May	\$ 295.0	\$ 277.9	\$ 262.3
2	2	Furr's Cafeterias	Dec.	270.0	256.0	290.0
3	3	Luby's Cafeteria	Aug.	254.0	232.8	215.1
4	4	Piccadilly Cafeterias	June	235.0	217.0	206.0
5	5	Wyatt Cafeterias	Dec.	181.0	178.5	184.5
Total:				\$1,235.0	\$1,162.2	\$1,157.9

Source: NRN Research

CAFETERIA CHAINS RANKED BY MARKET SHARE

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	1	Morrison's Cafeterias	May	23.89%	23.91%	22.65%
2	2	Furr's Cafeterias	Dec.	21.86	22.03	25.05
3	3	Luby's Cafeteria	Aug.	20.57	20.03	18.58
4	4	Piccadilly Cafeterias	June	19.03	18.67	17.79
5	5	Wyatt Cafeterias	Dec.	14.66	15.36	15.93

Segment sales total includes only the intake of chains ranking within the Top 100, and market share figures reflect only Top 100 chains' percentage of that tally.

Source: NRN Research

CAFETERIA CHAINS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	Luby's Cafeteria	Aug.	\$2,347.0	\$2,384.0	\$2,421.0
2	2	Piccadilly Cafeterias	June	1,950.0	1,900.0	1,900.0
3	3	Morrison's Cafeterias	May	1,900.0	1,830.0	1,740.0
4	4	Furr's Cafeterias	Dec.	1,764.7	1,695.3	1,736.5
5	5	Wyatt Cafeterias	Dec.	1,500.0	1,500.0	1,600.0
Average:				\$1,892.3	\$1,861.9	\$1,879.5

Source: NRN Research

CAFETERIA CHAINS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Units		
				1988	1987	1986
1	1	Morrison's Cafeterias	May	164	156	153
2	2	Furr's Cafeterias	Dec.	153	151	167
3	4	Piccadilly Cafeterias	June	124	116	108
4	3	Wyatt Cafeterias	Dec.	122	119	120
5	5	Luby's Cafeteria	Aug.	113	103	94
Total:				676	645	642

Source: NRN Research

FOCUS TOP 100

HOTELS TO SLASH GROWTH IN '88

After years of unbridled hotel development, major hotel chains are slowing growth to a near standstill. This year the nine operators in the Top 100 listing are cutting their expansion rate to 1.9 percent, or exactly half the pace recorded in 1987.

Although room occupancy rates are creeping upward in many parts of the country, food-and-beverage sales per property are flattening off. The segment average is expected to rise by only 3.7 percent this year, reflecting a tendency on the part of many chains to outfit new hotels with less banquet space and fewer restaurants.

The 10 hotel operators included in the 1988 Top 100 are expected to generate food-and-beverage sales of \$5.9 billion this year, for a 9-percent rise compared with last year's figure.

HOTEL CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1988	1987	1986
1	1	Sheraton Hotels	Dec.	\$1,474.0	\$1,252.9	\$1,193.7
2	2	Marriott Hotels	Dec.	980.2	875.4	739.8
3	3	Holiday Inns	Dec.	826.5	830.9	840.5
4	4	Hilton Hotels	Dec.	822.0	815.4	718.9
5	5	Westin Hotels	April	512.0	472.1	460.2
6	6	Hyatt Hotels	Jan.	443.0	408.1	349.6
7	7	Ramada Inns	Jan.	343.0	302.0	360.6
8	8	Radisson Hotels	Dec.	301.4	277.4	160.0
9	9	Quality Inns	May	194.0	177.0	150.0
Total:				\$5,896.1	\$5,411.2	\$4,973.3

Source: NRN Research

HOTEL CHAINS RANKED BY MARKET SHARE

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Market Share		
				1988	1987	1986
1	1	Sheraton Hotels	Dec.	25.00%	23.15%	24.00%
2	2	Marriott Hotels	Dec.	16.62	18.11	14.88
3	3	Holiday Inns	Dec.	14.02	15.27	16.90
4	4	Hilton Hotels	Dec.	13.94	15.19	14.46
5	5	Westin Hotels	April	8.68	9.46	9.25
6	6	Hyatt Hotels	Jan.	7.51	8.19	7.03
7	7	Ramada Inns	Jan.	5.82	6.34	7.25
8	8	Radisson Hotels	Dec.	5.11	5.57	3.22
9	9	Quality Inns	May	3.29	3.59	3.02

Segment sales total includes only the intake of chains ranking within the Top 100, and market share figures reflect only Top 100 chains' percentage of that tally.

Source: NRN Research

HOTEL CHAINS RANKED BY SALES PER UNIT

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1988	1987	1986
1	1	Westin Hotels	April	\$8,401.0	\$8,759.0	\$7,800.0
2	2	Marriott Hotels	Dec.	5,212.0	4,943.0	4,478.0
3	4	Hilton Hotels	Dec.	3,700.0	3,120.0	2,730.0
4	3	Hyatt Hotels	Jan.	3,280.0	3,510.0	4,120.0
5	5	Sheraton Hotels	Dec.	3,077.0	2,498.0	2,373.0
6	6	Radisson Hotels	Dec.	1,826.0	1,755.0	1,185.0
7	7	Holiday Inns	Dec.	523.3	519.6	512.2
8	8	Ramada Inns	Jan.	505.9	489.6	630.4
9	9	Quality Inns	May	221.2	208.7	195.5
Average:				\$2,971.8	\$2,864.8	\$2,669.3

Source: NRN Research

HOTEL CHAINS RANKED BY NUMBER OF UNITS

Rank 1988	Rank 1987	Chain	Fiscal Year Ends	Number of Units		
				1988	1987	1986
1	1	Holiday Inns	Dec.	1,579	1,599	1,641
2	2	Quality Inns	May	877	848	767
3	3	Ramada Inns	Jan.	678	643	571
4	4	Sheraton Hotels	Dec.	479	487	503
5	5	Hilton Hotels	Dec.	274	271	266
6	6	Marriott Hotels	Dec.	188	177	165
7	7	Radisson Hotels	Dec.	165	158	135
8	8	Hyatt Hotels	Jan.	135	116	85
9	9	Westin Hotels	April	61	54	62
Total:				4,436	4,353	4,195

Source: NRN Research

FOCUS TOP 100

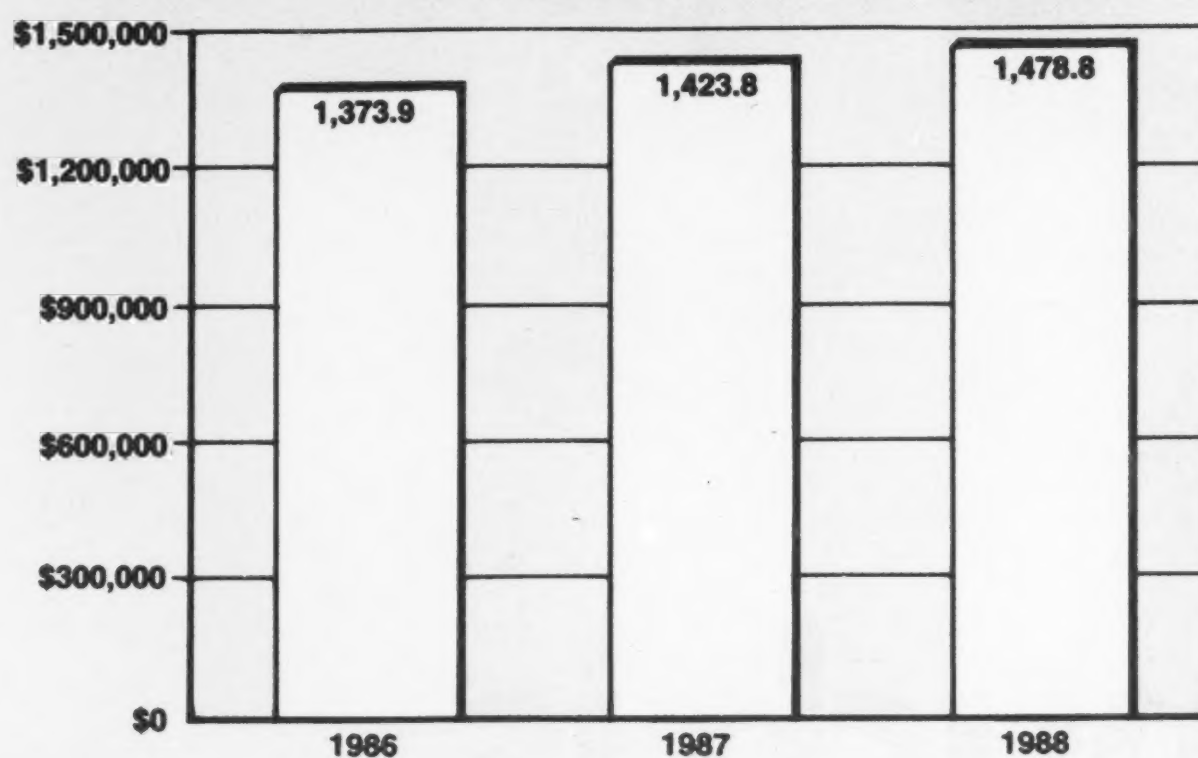
TOP 100

(Continued from page f1)
adding 1,000 units; Little Caesars, 555; Seiler Corp., 347 accounts; Chili's, 26 restaurants; Ryan's, 26; Fuddrucker's, 23; Bakers Square, 26; Morrison Custom Management, 35 accounts; Whataburger, 25; and Jack in the Box, 73.

Market share among the Top 100 chains is remaining stable this year compared with 1987. McDonald's is slightly expanding its overall share to 19.1 percent from 18.9 percent last year, and Burger King's share dropped slightly to 6.4 percent from 6.5 percent a year ago.

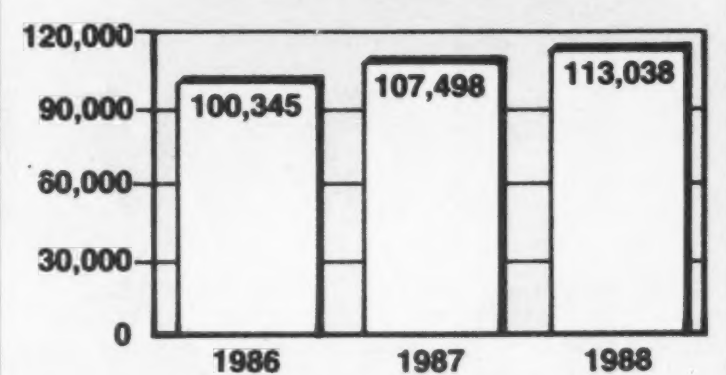
The 10 leading chains are the same as they were in 1987, with McDonald's leading the way with systemwide sales of \$15.7 billion followed by Burger King, with sales of \$5.3 billion; Kentucky Fried Chicken, \$4.3 billion; Hardee's, \$3.3 billion; Wendy's, \$3 billion; Pizza Hut, \$3 billion; Domino's Pizza, \$2.3 billion; Dairy Queen, \$2 billion; Marriott Food & Service Management, \$1.8 billion; and Taco Bell, \$1.7 billion.

TOP 100 CHAINS: AVERAGE SALES PER UNIT
(In thousands)



Source: NRN Research

TOP 100 CHAINS: TOTAL NUMBER OF UNITS



Source: NRN Research

EXECUTIVE MERRY-GO-ROUND

(Continued from page F36)

to Greyhound Food Management accelerated the process.

Donald Pierce, who had been promoted to Denny's presidency just six months earlier, and chief financial officer John Radebaugh were deposed in January when TW Services president Jerome "Jerry" Richardson took over as Denny's president. As mentioned earlier, Pierce resurfaced several months later as KFC-International president.

Richardson, a strong-minded, hands-on executive with a winning track record at Spartan Food (Hardee's largest franchisee and the operator of more than 200 Quincy's steak houses), was determined to bolster Denny's operations. He has been spending most of his time ever since on the road in Denny's restaurants. At some point, if and when he gets Denny's back on a winning track, he is likely to bring in a new president.

Substituting one James for another at Denver-based Vicorp's 270-unit Vil-

lage Inn chain, James Carter became president as James Orr resigned in February.

T.G.I. Friday's, the Dallas-based subsidiary of the Carlson Cos., was again rocked with a sudden change as president Mike Jenkins departed in March after 17 months as the successor to founder Daniel Scoggin. Jenkins earlier had briefly headed the Dallas-based S&A Restaurant Corp. Richard Rivera immediately jumped from T.G.I. executive vice president to president. He previously had been chief of El Chico Mexican dinner houses, S&A's Bennigan's restaurants, and W.R. Grace's Del Taco fast-food chain.

In April Fred Malek, a former White House aide to President Nixon, resigned as a Marriott executive vice president to join the George Bush campaign as convention director. Francis "Butch" Cash, executive vice president in charge of restaurants, promptly ascended to president of a new Marriott Services Group. He and John

Dasberg, who was promoted to chief of a new Marriott Lodging Group, report directly to chairman and president J. Willard Marriott Jr.

That same month Fred Gonzales, who was engineering a turnaround as chief operating officer of Salt Lake City-based JB's Restaurants, became president. Clark Jones, who was president, remained chairman and chief executive officer.

A merger in May saw San Diego-based Jack in the Box's parent, Foodmaker, acquire Louisville-based Mexican dinner house chain Chi-Chi's. Hal Smith, who had been steering a turnaround as Chi-Chi's chairman, remained chief executive of the chain and became a Foodmaker executive vice president. Robert Nugent, a nine-year Foodmaker veteran, moved up from operations and marketing executive vice president to the new post of Jack in the Box president.

Smith and Nugent both report to Foodmaker chairman and president Jack Goodall.

The merry-go-round continued as Ernest Renaud became Church's president in June, succeeding J. David

Bamberger, who said he finally would indeed stick to just being chairman and would let Renaud run the show. Bamberger held the presidency temporarily after C.H. "Buzz" Roman departed last fall to run his own restaurant company. Roman had succeeded Richard Sherman, a lawyer and acquisitions specialist from Hardee's, whom Bamberger named Church's president in 1984.

Renaud was Long John Silver's president for a decade and was with the Golden Corral Corp. four years, most recently as president of its parent Investors Management Corp.

Finally, T. Mark McCall, 30-year-old president and chief executive of South Carolina-based Ryan's Family Steak Houses, resigned after five years in the post. McCall, who owned less than 1 percent of Ryan's, said he wants to make his own mark and start a company. His father, chairman Alvin McCall, reassumed the chief executive officer post, and executive vice president Charles Way, 35, became president. Ryan's had slumped from its family steak-house perch with 5-percent comparative sales drops this year.

BIG FOUR CONGLOMERATES

(Continued from page F44)

Inc., whose acronym is pronounced "Reggie," is based in Irvine, Calif., and has estimated annual sales of \$1.2 billion. REGI comprises most of the former W.R. Grace restaurant group, including the Missouri-based Gilbert/Robinson division, and the California-based El Torito, Grace Restaurant Co., and Carrow's divisions.

Among the chain concepts in REGI's 700-unit portfolio are El Torito, Co-co's, Carrow's, Houlihan's, Reuben's, Darryl's, Baxter's, Charley Brown's, Bristol Bar & Grill, and Tequila Willie's. Other specialized outlets include the high-grossing landmarks Gladstone's 4 Fish in Los Angeles; Las Brisas in Orange County, Calif.; and Buena Vista Cafe in San Francisco.

REGI was formed last year when 46 W.R. Grace restaurant executives bought control of the group in a deal valued at more than \$500 million. In addition to retaining the Texas-based Taco Villa fast-food division, W. R. Grace & Co. retained a 47-percent stake in REGI. Grace chairman J. Peter Grace was named chairman of the group.

REGI management includes Norman Habermann, president and chief executive officer; Martin Casey, executive vice president and El Torito division president; Michael Malanga, development vice president; Bob Schmidt, strategic planning vice president; Janet Colson, human resources vice president; Dan Rothblum, financial planning vice president; Ken Harris, distribution division president; Rod

Downey and Peter Sirkin, marketing vice presidents; and Randy Hiatt, specialty restaurants vice president.

• TW Services, based in New York, posted \$2.5 billion in food-service revenue last year, a figure projected to rise to \$3.5 billion for 1988.

The company comprises Denny's Inc., operator of 1,200-unit Denny's, 700-unit Winchell's Donut House, and 100-unit El Pollo Loco; Canteen Corp., the industry's No. 3 contract feeder; and Spartan Food Systems, which includes a 380-unit Hardee's franchise and the 215-unit Quincy's Family Steak House chain.

The Denny's chain, with annual sales of \$1.2 billion, is based in La Mirada, Calif. Canteen Co., with annual sales of about \$925 million from some 1,700 contracts, is headquartered in Chicago. Quincy's, based in Spartanburg, S.C., has annual sales of about \$235 million.

The conglomerate was formed last year in the breakup of Transworld Corp., whose executives thwarted a threatened hostile takeover by divesting Transworld's 90-property Hilton International hotel chain and placing Canteen and Spartan Food under the new TW Services umbrella. The reorganization involved the exchange of Transworld shares for an equivalent interest in TW stock. TW subsequently acquired Denny's Inc. last year for \$218 million in cash.

TW's officers include Frank Salizoni, chairman and chief executive; Jerome Richardson, corporate president and president of the Denny's Inc. and Spartan Food subsidiaries; John J. O'Keefe Jr., senior vice president and general counsel; and James R. Painter, senior finance vice president. Robert A. Kozlowski is president and chief executive of Canteen Co.



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Operators fight seafood scare

By Joe Edwards

Seafood house operators are trying to maintain traffic counts this summer by assuring customers that the shellfish and other seafood on their menus is safe.

Customers have been asking tough questions about the origin of restaurant seafood in the wake of widespread reports of worsening ocean pol-

Pollution reports spark patron worries

lution.

But restaurateurs claim that customer traffic remains steady and adequate supplies of untainted seafood are available, although often at premium prices.

Nestor Lane, who runs The

Fisherman in Asbury Park, N.J., a resort town whose beaches have been closed by pollution for much of the summer, has been informing his customers that most of his seafood comes from Narragansett Bay in Rhode Island and the

waters of northern New England.

"We have questions," Lane said. "People are asking where it comes from, probably more than usual." Customer counts at the popular beachfront restaurant are high,

Lane said—"Not as high as they used to be, but they're okay."

Lane has noticed a dropoff in fish sales at his other restaurant in nearby Long Branch, where "we're selling a little more beef than seafood. It possibly could be related to the seafood scare."

At the Union Oyster House
(See **SEAFOOD**, page 4)



NRN Photo

Roland Gotti, left, and brother Victor, in Ernie's in San Francisco.

New looks greet diners all over San Francisco

By Alan Liddle
SAN FRANCISCO—At first glance, Ernie's, the landmark 54-year-old French restaurant with a Victorian decor, seems to have little in common with Route 66, a pastel-hued, '50s and '60s-linked "American Eats" emporium.

A second peek, however, reveals that the two share an important characteristic: a new look.

Those two restaurants, along with several others in San Francisco, in-

South of Market comes alive

Visitors to San Francisco will find new restaurants and clubs in this once deserted district

Page F1

cluding the venerable Fleur de Lys and The Blue Fox, recently went under the decor doctor's knife.

Among the things restaurateurs said they hoped remodeling would accomplish: attract new customers or keep regulars interest-

ed; draw attention to a new chef, menu, or bar; and correct design problems.

The \$400,000-plus Ernie's remodeling required a three-week closure
(See **SAN FRANCISCO**, page 68)

Whiz-kid Smith takes a whirl with Friendly

By Peter Romeo
CHICAGO

Three years after tarnishing his whiz-kid image in an ill-fated attempt to forge a restaurant kingdom, Donald N. Smith is putting his empire-building skills to the test again through his company's purchase of the 850-unit Friendly chain.

Tennessee Restaurant Co., which



Smith

already operates the 334-unit Perkins family restaurant system, has agreed to acquire Friendly, an ailing competitor, from Hershey Foods Corp. for \$375 million in cash.

The transaction would immediately transform Tennessee Restaurant into a titan within the family restaurant market, with more than 1,100 units generating some \$975 million annually in sales. Only the Denny's chain, a subsidiary of TW Services, encompasses
(See **FRIENDLY**, page 68)

Pizza tops poll on delivery food

By Bill Carlino

LINCOLN, Neb. — By an overwhelming 11-to-1 margin, pizza reigns supreme as the top choice of menu items traditionally offered for home or workplace delivery.

According to results from the July Nation's Restaurant News SRI Poll, 69 percent of those who have ordered a meal from a restaurant and had it delivered to their home or office chose pizza.

The NRN/SRI Poll, conducted by the Lincoln, Neb.-based SRI Research Inc., asked 1,002 consumers two questions concerning meal delivery.

First consumers were asked, "When was the last time you ate a meal that was prepared at a restaurant and delivered to your home or office?"

Of the people surveyed, 726 said they had eaten a home or office-delivered meal
(See **NRN/SRI**, page 68)

FOOD WATCH

That's Italian!

SAN JOSE, Calif. — Mike and Ernestine DelMonaco have created a line of "gourmet raviolis" at the Florentine Kitchen to serve at their group of seven northern Italian Florentine restaurants in northern California.

Florentine ravioli is made with a thinner flour and egg dough than is traditional ravioli.

Meat, cheese, and seafood fillings are spread evenly throughout the ravioli, not clumped in the middle. Each bite contains equal parts of dough and filling.

Florentine restaurants are located in Sacramento, Almaden, Mountainview, Saratoga, Redwood City, Cupertino, and San Jose.

—Ken Frydman

INSIDE NRN

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NEWS DIGEST

Furr's/Bishop's reveals plan to bid for Wyatt Cafeterias

LUBBOCK, Texas — In a move to become the nation's largest cafeteria operator, Furr's/Bishop's Cafeterias L.P. said it would soon make a bid for Dallas-based Wyatt Cafeterias Inc.

Wyatt, which operates 120 cafeterias in the Southwest, recently agreed to sell the company to its employees' stock ownership plan for about \$84 a share, or \$173 million, plus \$13 million in merger expenses.

Furr's, which is currently the nation's second-largest cafeteria chain, with about 153 units, would not reveal how much it plans to bid.

Marriott's In-Flite plots growth in two int'l markets

WASHINGTON — Marriott Corp. said its In-Flite Services airline catering business has acquired Cocina Del Aire, an in-flight feeder based in Mexico, for an undisclosed amount.

Cocina operates 11 kitchens in Mexico, where In-Flite had already established a beachhead with its four kitchens.

Meanwhile, In-Flite is seeking to break into the Japanese market by entering into a joint venture with All Nippon Airways, one of Japan's largest airlines, and Sumitomo Corp., a company described as a trading concern. The partnership intends to bid for in-flight catering and concession-management contracts throughout Japan.

Second Hilltop restaurant slated for New Hampshire

SAUGUS, Mass. — Hilltop Steak House, the meat eater's paradise here that is widely regarded as the nation's highest-volume restaurant, said it plans to open a unit in Nashua, N.H., as the first step of its new owner's expansion drive.

Meanwhile, the original Hilltop is planning to add more seats to its current inventory of 1,300. The move will likely push the restaurant's sales past last year's estimated tally of \$47 million.

In January, businessman John Swansburg purchased a controlling interest in Hilltop from longtime owner Frank Giuffrida.

Jeremiah Tower readies new tropical restaurant

SAN FRANCISCO — Jeremiah Tower, executive chef and co-owner of the renowned Stars here, is developing a new restaurant with a "tropical" twist.

The restaurant, to be called Speedo's, will open this fall at a site near Stars, Tower said.

Doyle Moon, his partner in Stars, has no involvement in the new restaurant project, Tower said.

Amid controversy, Circle K suspends health plan curbs

PHOENIX, Ariz. — Following an outcry from the public, Circle K convenience store chain has suspended its policy of denying medical benefits to employees suffering from alcoholism, drug abuse, or sexually contracted AIDS.

Although the 4,077-unit retailer initiated the policy on Jan. 1, the move only recently drew the attention of the major media. At that time Circle K said it took the action to combat skyrocketing health-care costs.

In a letter sent to employees late in 1987 to announce the curtailment of medical benefits, Circle K said it was denying coverage to AIDS victims, alcoholics, and drug abusers because their illnesses resulted from "personal lifestyle decisions."

After the letter came to light in early August, Circle K was criticized by civil-rights groups and organizations representing AIDS victims. Circle K chairman Karl Eller subsequently announced that the policy was being suspended pending further study.

Winners seeks \$4.4 million in suit against Spillman

BRENTWOOD, Tenn. — Winners Corp., a local fast feeder, is seeking \$4.4 million in damages from industry veteran Francis Spillman for allegedly violating federal laws during his foiled attempt to take over the company.

In a lawsuit filed in a Nashville federal court, Winners accused Spillman of including false information in Securities and Exchange Commission filings pertaining to the chain. Spillman also failed to submit all of the forms that are required by the SEC, Winners alleged.

In April Spillman filed a lawsuit seeking to postpone Winners' annual stockholders meeting and to block a refinancing of the company's debt. The requests by Spillman, who argued that shareholder proxy materials were misleading, were denied by the courts.

Winners operates 51 franchised Wendy's units and 144 Mrs. Winner's fried-chicken restaurants.

Grand Metropolitan weighs sale of Inter-Continental

MONTVALE, N.J. — Grand Metropolitan PLC said it might sell its Inter-Continental Hotels Group based here, noting that several suitors have already stepped forward.

The lodging group operates 85 Inter-Continental hotels, 13 Forum Hotels, and two Scanticon conference centers. Grand Metropolitan, a British conglomerate, purchased the group from Pan Am in 1981 for \$500 million.

Grand Metropolitan would not disclose potential bids or suitors.

Compiled from staff and news reports

Wendy's net income surges in 2d Q

By Peter J. Romeo

DUBLIN, Ohio — The financial health of Wendy's International improved markedly during the second quarter ended July 3, with the chain's net income of \$9.6 million surpassing the tally for the year-ago quarter by more than 405 percent.

Revenues totaled \$275.1 million, for a 1.7-percent improvement over the \$270.5 million posted a year earlier.

James Near, Wendy's president, attributed the gains in part to the drawing power of the hamburger chain's new Superbar hot-and-cold buffet.

The buffet, which is currently offered in two-thirds of the 3,752-unit system, "has produced immediate sales gains and improves restaurant profitability in almost every market," Near said.

"These results exceeded our business plan, and I'm confident the steps we have taken over the past year to be more efficient will continue to produce significant increases in earnings,"

chairman Robert L. Barney commented.

Nevertheless, Wendy's income and revenue totals for the most recent quarter fell far short of the figures posted two years ago, when the hamburger chain began its slide into financial trouble. For the second quarter of fiscal 1986, the chain posted a net income of \$24.3 million on revenues of \$300.2 million.

In addition, average sales per restaurant for the second quarter of 1988 surpassed the year-earlier quarter's mean by only 3.7 percent, or less than the rate of inflation. The average for franchised units inched upward by only 2 percent, while company stores posted a 5-percent rise.

After Wendy's posted second-quarter results, the company's board approved an anti-takeover measure that will go into effect if an investor amasses or offers to buy 20 percent or more of total shares outstanding. Under the defense, shareholders other than the suit-or are granted options to increase their stake at reduced prices.

FOCUS | VIEWPOINT

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Salute to Excellence: a daily necessity

"Now hiring for days and nights. \$6.50 to \$7 per hour. Many benefits. Transportation available."

This advertisement, for employees at both Burger King and an adjacent Marriott Family Restaurant on the Massachusetts Turnpike, is indicative of the salaries, benefits, and inducements that food-service operators must be willing to offer in

Editor's Corner

Charles Bernstein



today's complex labor market.

These measures are prevalent not only in the most difficult labor market, New En

gland, but in other areas too. McDonald's has been offering hourly wages of \$7 or more, plus free transportation of 50 or 60 miles in Florida. Busing workers long distances is one creative solution to the whole crisis.

A number of operations in California which previously paid not much more than the \$3.35 minimum wage are now paying in the \$5 to \$6 range (partly as a result of the state's new \$4.25 minimum-wage law).

The stark reality is that food-service operators are in a fierce competitive battle with all types of other occupations to hire employees. Even more creative would be solutions that center on improved working conditions, stronger training programs, and appealing advancement opportunities.

Desperate to recruit young people, too many operators are bending the rules and permitting teen-agers work late at night. Although the point could be made that "they're lucky to have a job in the first place," this is still not the best way to handle the situation.

All too typical is a Providence, R.I., restaurant which has been accused of allowing 15-year-olds to bus tables past permitted hours. It even illegally allowed one 17-year-old to work a meat-processing machine.

More to the point is what operators can do to help employees. There are shining examples to emulate in helping young people with their educations.

One is Clyde's Restaurants Group of Washington, D.C., which pays for all outside job-related education. It offers scholarships to cooks, one for the Academy de Cuisine and four others for part-time education. Clyde's was one of the first to recognize the value of a five-day work week and to offer profit sharing and stock options for long-term employees.

It is no wonder that Clyde's and other progressive restau-

rants don't have trouble recruiting young people, or people of any age for that matter. They also manage to keep their employees for years and build dedication.

Friendly Restaurants, the New England-based family restaurant chain, has a creative commitment to employing people with disabilities and training them through constant demonstrations, support systems, and sign language where necessary.

Friendly knows how to make people feel important whether they are washing dishes, busing tables, or working at the counter. It has deservedly received special presidential citations for employing the handicapped.

But perhaps the key to solving the labor crisis is being spearheaded by the NRA's Educational Foundation Salute to Excellence program. This portrays food service as an appealing career to high school and college students.

Some 140 hotel, restaurant, and institutional management students were honored in a special Salute to Excellence forum in Chicago. They heard how they could achieve career goals from industry executives and leaders such as Patrick O'Malley, Richard Melman, Michael Hurst, Michael Grisanti, Jim Peterson, and Walter Conti.

The idea of students having mentors and role models to emulate encourages them. And this program is mutually beneficial as industry leaders gain more insight into the potentials of these future employees. The students are not likely to soon forget their Salute to Excellence experiences—particularly the discussions and question-and-answer sessions.

Each received a special medallion, T-shirt, program with their photographs, and honor delegate certificates. The items themselves were not as important as the professional pride they symbolized.

Under Daniel Gescheidle, who will soon become president and staff chief of the Educational Foundation, "Salute to Excellence" would be expanded so that industry leaders appear as role models at schools from fifth grade through college. State associations would be encouraged to pitch in also.

Gescheidle, a veteran food-service and distribution executive, also plans to develop specific training formats and standards for restaurant managers in all segments—a feature sorely lacking among most independents.

Yet it is not nearly enough to have just a few major programs like this, worthy as they are. "Salute to Excellence" should be a theme every day in every restaurant, with employees and prospective employees.

When food-service employers truly salute their employees' daily achievements, rather than expecting to be saluted all the time, the industry's labor crisis will subside immensely.

LETTERS

Why pay good money for poor performance?

Editor, NRN:

In regard to mandatory tipping, I would like to say that my position could go both ways if the service is excellent and the tips stay between 15 percent and 20 percent.

Frankly I have seen nothing written about going out to a restaurant with mandatory tipping, getting poor service, and going to the manager with a serious message.

If your restaurant really wants to give that server a tip, you should pay it! Either you pay, or you lose a customer and the tip. It is your choice.

What does mandatory tipping really mean? Are you going to get a bouncer to beat the tip out of a customer or grab his wallet on the way out the door? I don't think so.

Who really thinks that if a patron gets lousy service, he is going to give the waiter \$15 or \$20 out of his hard-earned money? Not I. My suggestion is to set up a policy to deal with legitimate grievances so the manager can listen to problems.

That is the way to really find out what's fair and deal with it.

I don't think a manager wants to lose good customers who feel they are throwing away good money to reward poor performance.

—Peter Greene
corporate employment manager
Ground Round Inc.
Braintree, Mass.

Bartender: 'I'll continue earning unreported tips'

Editor, NRN:

I have something I want to say about the tips vs. mandatory service charge controversy.

I am a bartender in New York and live in Connecticut. The bar pays me \$12,000 a year plus my reported tips, which means I can get food stamps.

Last year I made \$71,000 in unreported tips.

Go ahead and put a mandatory service charge on drinks. I will still beat the system, just as all cabdrivers, bellboys, and golf caddies do.

I feel sorry for the waitress who works in a place with a mandatory service charge, but if she decides to become a hairdresser, she would be back in the tip business.

Name withheld by request

'Service staff' describes job better than 'wait staff'

Editor, NRN:

I have a suggestion.

Let's stop calling waiters and waitresses "wait staff." Waiters and waitresses provide service. They are not supposed to make us wait.

To better describe what they do, we should call them "service staff."

Webster's definition of "wait" includes "to serve food." However, the valuable people in restaurants do far more than that. They provide service, and the title by which we refer to them should refer to that fact.

What we are called influences how we think of ourselves and how we perform our jobs. That is certainly true of waiters and waitresses.

—Judd Goldfeder
president
The Birthday Business
Escondido, Calif.

Nation's Restaurant News welcomes letters on timely topics. They should be sent to the editor, Nation's Restaurant News, 425 Park Ave., New York, New York, 10022. Letters may be condensed for reasons of space or clarity.

Friendly goes to Tennessee

(Continued from page 1)

more family oriented restaurants.

Wilbraham, Mass.-based Friendly and Memphis-headquartered Perkins will be operated as separate chains, a Tennessee Restaurant spokeswoman stressed.

"They will be kept totally, absolutely separate, with no overlap of management whatsoever," she declared.

The one link between the two chains' management will be Smith. He plans to assume the chairmanship of Friendly while continuing to serve as chief executive of Perkins.

Friendly president John Cauley will retain his job "for the foreseeable future," the Tennessee Restaurant spokeswoman said.

"Friendly has a very solid management team and a good penetration of its market," she said. "There are a lot of strengths in the concept. It has a lot of potential. But it's not liv-

ing up to that potential."

"If Don brings his expertise in turnarounds to the situation, that potential could be realized," she added.

In 1987, Friendly saw its profits slide from the prior year by 9.5 percent, despite a 6.6 percent rise in sales, to \$572 million.

While increased competition dampened sales, margins were bashed by an acute labor shortage that forced the chain to pay top dollar for even low-level restaurant employees.

Friendly has attempted to pull out of the slump by slashing its headquarters staff, changing advertising agencies, adopting new employee retention techniques, and touting the value of such new menu items as 99-cent children's meals.

"Friendly's sales should finish the year with a 5 percent improvement," noted a recent report by Stephen Carnes, an analyst for Piper, Jaffray &

Hopwood in Minneapolis. "The recent programs to increase consumer service levels, enhance employee benefits, and improve profitability should get Friendly back on track in 1988."

Smith declined to say what tactics he might employ to foster a turnaround at Friendly.

"Suffice it to say that there is a very strong image of quality or halo to the Friendly name," he commented during a brief telephone interview. "It goes without saying that all other pieces can be adjusted to take advantage of that halo."

"Don is not going to go in and make any broad-brush, full scale changes," the Tennessee Restaurant spokeswoman commented. "He'll go in and study every piece of the business before he does anything."

The technique has paid off for Smith in the instance of Perkins, a 33-year-old pancake chain that Tennessee Restaurant took over in 1985 from Holiday Inns. Since then, Smith and a hand-picked team of seasoned industry

veterans have outfitted Perkins with a new look, menu, marketing program, building prototype, training center, and research-and-development facility.

For the six months ended June 30, Perkins reported a net income of \$4.5 million, for an 18 percent increase over the figure for the first half of 1987.

As chairman and chief executive of Tennessee Restaurant, Smith said, he will continue to keep an eye open for acquisition candidates.

The company, which is based here, is a partnership of Smith, Holiday Inns, and the oil-rich Bass brothers of Fort Worth, Texas. It owns 51 percent of Perkins, which is organized as a limited partnership, and 100 percent of Perkins Management Co., which operates Perkins.

Tennessee Restaurant was formed to buy ailing restaurant companies which Smith could then rejuvenate by tapping the expertise he amassed as a high-level executive of McDonald's, Burger King, Pizza Hut, and

Taco Bell during the late 1970s and early '80s.

Between his 36th and 42nd birthdays, Smith racked up a string of head-turning successes as he moved from one giant chain to another. His midas touch made him one of the restaurant industry's brightest stars.

The streak ended in 1983 when he stepped down as president of PepsiCo's food-service division, which included Taco Bell and Pizza Hut, to try his hand at empire building. He formed a company called Diversifoods and brought into its fold 375 franchised Burger Kings and such chains as Godfather's Pizza, Luther's Bar-B-Que, Chart House Restaurants, and Moxie's.

The venture fell apart after operational problems, particularly within the then-900-unit Godfather's system, stymied Smith and his management team. After failing to take the teetering Diversifoods private in 1985, Smith resigned at the request of the company's board.

San Francisco touts new look

(Continued from page 1)

that ended in late July and was overseen by interior designer Barbara Marshall.

Owners Victor and Roland Gotti, brothers, said they were pleased with Ernie's new "brighter" and "more open" look and what it might mean in terms of landing a new generation of customers.

The Gottis admitted, however, that going into the project they had been "concerned" that changing Ernie's might alienate long-time patrons.

After all, they reasoned, the Victorian elegance of the old interior, with its lavish red-silk wall coverings and rich wood paneling, had helped the restaurant win acclaim and a part in Alfred Hitchcock's movie, "Vertigo."

"But we look at the 'before' and 'after' pictures now and we can see where it [the old decor] might have been a little heavy," Roland Gotti conceded.

Victor Gotti said the response of veteran customers who have been in since the remodel has been "positive." One such regular, he said, "just looked in and said, 'Wow!'"

Ernie's new "open" feeling is due primarily to the removal of a beam that blocked the view of the foyer, bar, and main dining room as people entered the restaurant.

Achieving the "brighter" look without sacrificing the decor's Victorian underpinnings required a more complex strategy, however.

Marshall's plan called for retaining a majority of the existing fixtures and furnishings, while replacing much of the red-silk wall covering as well as darker upholstery fabrics with cream-colored versions.

She also chose to replace a draped-fabric canopy in the main dining room with a cream-colored vaulted ceiling, install marble flooring in the previously carpeted entrance and foyer, and revamp the lighting.

At 20-month-old Route 66 on Broadway, just a block from Ernie's, owner Robert Kleiner said he hoped the treatment prescribed by architect Karen Madigan would result in a healthier bar and dinner business.

Kleiner said the \$35,000 remodel required a four-week closure and was prompted by his decision to buy a liquor li-

cense.

He said he and his contractors replaced the bar top; installed neon accents and hi-tech-deco hanging light fixtures and wall sconces; applied a '50s-style, speckled-paint-look "zolatone" finish to the bar walls; reupholstered chairs and banquettes; and hung new art.

An awning to "attract attention" will soon go up out front, Kleiner said.

Describing the section of Broadway where Route 66 sits as a "tough draw," Kleiner said he bought the liquor license "to bring people in after work."

Once he had a license, he said, a remodel was required because "a bar has to feel like a bar, not like a [lunch] counter."

The dining room improvements were made with the idea that a little more polish might entice bar customers to stay for dinner or sway them and their lunch counterparts to return some other evening, Kleiner said.

"Our style has always been to serve fine food in a casual setting," the Route 66 proprietor explained. "I didn't want to change that, but I did want to bring it [the decor] upscale a bit."

Other San Francisco res-

taurants remodeled recently:

- The Blue Fox, which reopened this past May following a three-month, \$750,000 Larry Masnada-coordinated remodel that included new paint, carpeting, upholstery, chairs, mirrors, and service ware.

New owner John Fassio, whose late father Piero was once a partner in the Merchant Street restaurant, changed the food of The Blue Fox from Continental to Northern Italian. Along with the new food had to come a new image, he said, and "when you change image, you redo everything from fabrics to logo."

The old colors, red, gold, and white, were replaced with peach, bronze, and blue for a "warmer" ambience, Fassio said.

- Fleur de Lys, a 17-year-old French restaurant that owner Maurice Rouas began revitalizing in 1986 when he made chef Hubert Keller a partner. The \$60,000 spent in June to makeover the private room next to the bar and to refinish wood surfaces and improve lighting in the dining room was the next step in the revitalization, Rouas said.

- Square One, an award-winning foods-of-the-world restaurant on Pacific Avenue with a dining room described

in the past by some critics as "cafeteria-like" and "cold."

Earlier this year, remodelers using banquet booths as center dividers and to direct the attention of customers sitting near the line away from the busy kitchen, transformed Square One's large dining room into what seems like two, more intimate spaces.

Evan Goldstein, who runs the restaurant with his mother, chef-owner Joyce Goldstein, said the "divided" room does a better job of absorbing sound.

As a result, he said, "A lot of business people who enjoyed the food at Square One, but not the noise, have returned to hold meetings here. Our lunch counts since January are better than ever."

- The Courtyard, a nine-year-old, 86-seat "upscale California cuisine" restaurant on Clement Street. Co-owner Johnathan Holbrook said it cost \$25,000 and three days in July to repaint, recarpet, and re-upholster the restaurant. The dominant hue changed from peach to white.

The arrival of chef J.W. King and the realization the carpet and paint had not been replaced since 1983 convinced the owners it was time to remodel, Holbrook said.

NRN/SRI Poll

(Continued from page 1)

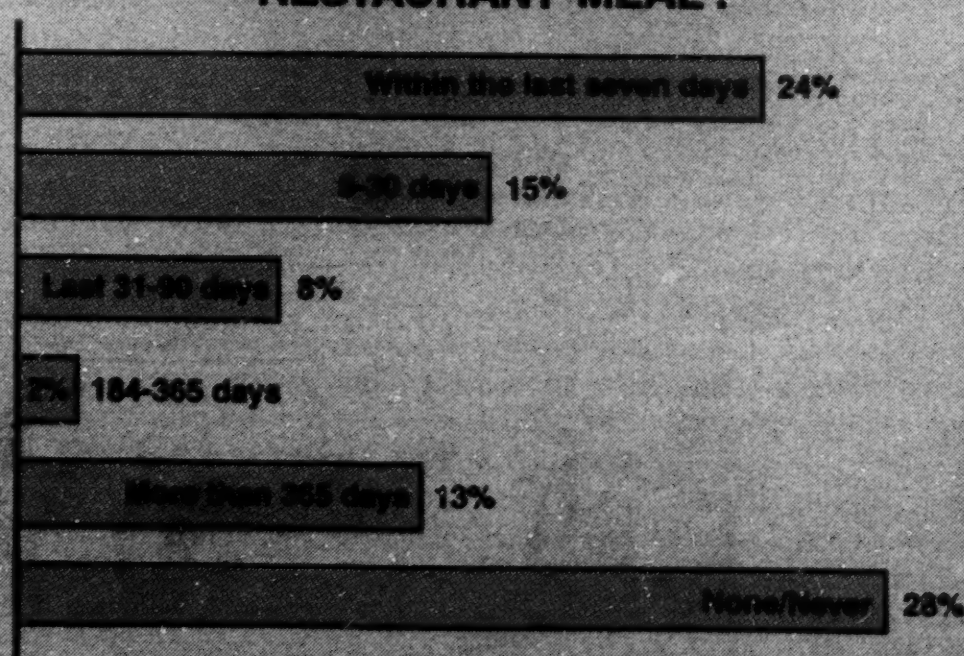
prepared in a restaurant within the past year. Those who indicated they had eaten ordered a delivered meal were then asked, "What type of meal was it?"

Chinese food finished second behind pizza with 6 percent of all responses, while 3 percent replied they had ordered either hot or cold sandwiches.

Twenty-four percent of those polled said they had a meal delivered within the past week; 15 percent indicated they had done so within the last month.

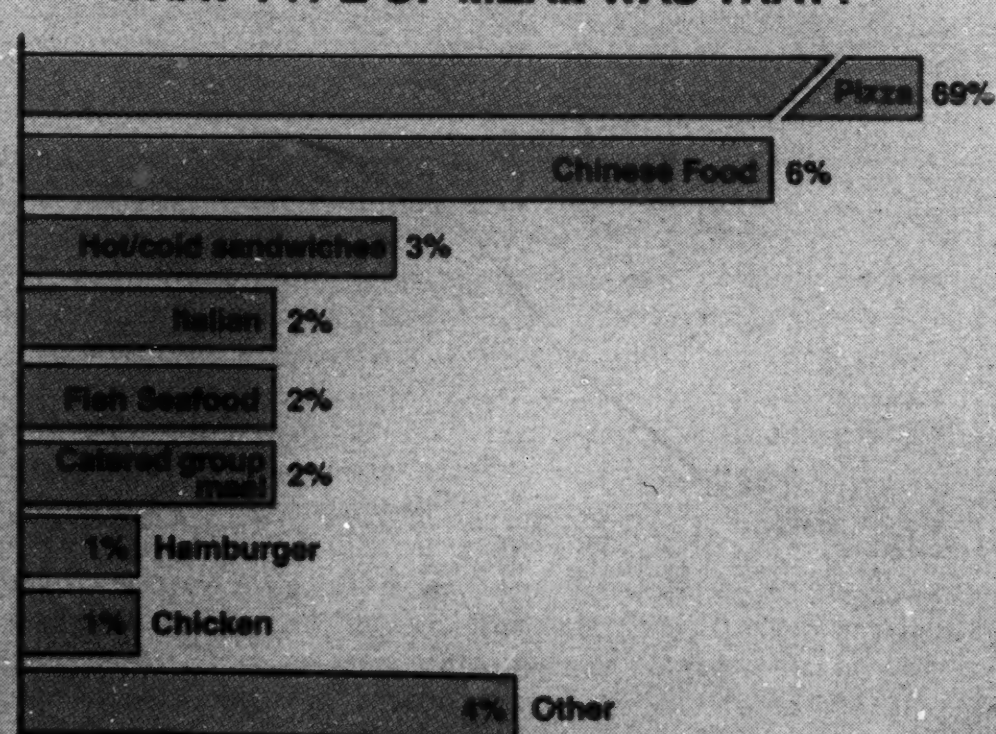
Thirteen percent of the people surveyed said that it was longer than one year since they had a home or workplace delivered meal, and a surprising 28 percent said they have never ordered a home or work-delivered meal prepared by a restaurant.

WHEN WAS THE LAST TIME YOU ATE A HOME OR OFFICE DELIVERED RESTAURANT MEAL?



Source: NRN/SRI Research Center, Lincoln, Neb.

WHAT TYPE OF MEAL WAS THAT?



Source: NRN/SRI Research Center, Lincoln, Neb.